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GENERAL BUSINESS

Profumo papers still exist

Confidential files of the Denning inquiry into the Profumo Affair of 1963 have not been destroyed, Lord Denning claimed on Wednesday. They are in the Cabinet Office.

Mr. James Callaghan, Prime Minister, gave the news to the Commons last night. Hours after Lord Denning had told MPs that the records had been destroyed.

Mr. Callaghan said that it had been agreed that the documents should not be handed over as public records and were in the Cabinet Office.

His remarks will have partly silenced the anger of some Labour MPs at the peremptory fashion in which historical documents had appeared to have been got rid of forever.

Through a statement by Lord Elyon Jones, Lord Chancellor, in the Lords last night, Lord Denning made it plain that when he stated that the evidence had been destroyed, he had assumed and inferred from the circumstances that this had been done. He was glad to know the documents existed.

Page 12

Belfast man gunned down

A man was killed and four people injured in three separate shooting incidents in Ulster last night. The man, aged 24, was gunned down with automatic fire from a passing car in Belfast's Shankhill Road area. Two people with him were also hit. A third man was seriously injured in a Dunmurry shooting incident. A Belfast youth was shot in the arm.

At the European Human Rights Court in Strasbourg Mr. Sam. Silk, Attorney-General, triumphantly contested the Irish Republic's plea that British troops responsible for alleged torture in Northern Ireland could be prosecuted. Page 4.

Politics Today, Page 27

South Africa to build air base

South Africa is to build a big new air base in the eastern Transvaal near its border with Mozambique. Mr. P. W. Botha, Deputee Minister, stated yesterday. The Minister also said that the period of national service for conscripts is to be reduced from 12 months to five years. Page 5

Rockets used in Rhodesia attack

Black nationalist guerrillas had attacked a police post in western Rhodesia with rockets and small arms. The Rhodesian military command said.

Rome shootings

A politician was shot dead and a woman journalist and a second politician were wounded when gunmen opened fire near Rome University. The shooting took place after police, using tear gas, drove students out of barricaded positions they had occupied in protest against the government's education reforms. A strong police force last night surrounded the university. Page 4

Playboy union

Gaming staff at the Playboy Club in Park Lane, London, should have their pay and working conditions improved by the Transport and General Workers' Union the Advisory, Conciliation and Arbitration Service ruled.

Briefly...

Argentina's security forces said they killed eight Left-wing guerrillas in three Buenos Aires districts. Feature, Page 6

Agree Brigade bomb conspiracy in Italy. Crew, aged 24, was released on parole after serving half his 10-year sentence.

A man was jailed for seven years at the Old Bailey for stealing £2m from London Airport.

Chief price changes yesterday

(Prices in pence unless otherwise indicated)

| | |
|------------------|----------|
| Home Counties | 48 + 5 |
| ICI | 354 + 8 |
| Invergordon | 50 + 4 |
| Low W. | 92 + 6 |
| Martonair Int'l. | 118 + 4 |
| Midland | 172 + 5 |
| Savoy A | 57 + 4 |
| South W. H. A. | 485 + 19 |
| Tecalemit | 105 + 4 |
| Thomson Org. | 489 + 10 |
| EP | 490 + 10 |
| Shell Transport | 496 + 16 |
| Purbeck | 61 + 8 |
| Williamson Tea | 158 + 8 |
| RTZ | 229 + 3 |

FALLS

| | |
|---------------------|-----------|
| Free State Geduld | 325 - 50 |
| Randfontein Estates | 2304 - 37 |
| Stifffontein | 170 - 10 |
| Venterspoort | 107 - 10 |
| Western Holdings | 1112 - 4 |

Fresh proposals on devolution are well advanced

BY RICHARD EVANS, LOBBY EDITOR

Senior Ministers are well advanced with fresh proposals for devolving powers to Scotland and Wales which, they believe, will enable Mr. Callaghan's minority Government to remain in office for a further Parliamentary session.

The outcome of the major rethink of the devolution proposals will be announced about the middle of next month, but legislation is not likely to come before Parliament until the next session, which starts in November.

The main advantage for the Government will be twofold: A resurrected Bill will fulfil Labour's manifesto commitment to set up assemblies in Edinburgh and Cardiff with devolved powers; and it will also gain the necessary Parliamentary support from minority parties to keep itself in power.

A redrafted and probably more radical Bill given priority in the next session would make more certain the continuation of the Government's guttural time-table debate.

He is confident a formula can be found that will enable the legislation to be passed by next spring with the use of the Statute Book rather than help in force a General Election which could result in a Conservative administration less sympathetic to devolution demands.

A stronger devolution Bill would put Mr. Callaghan in a much better position to carry out his recent declaration that the Government could run its full term.

More important strategically, he would be able to call a General Election at a time of Scotland and Wales, but

Confident

Mr. Michael Foot, Lord President, has been having lengthy discussions with the Liberals, Nationalists, Conservatives and Labour anti-devolutionists since the Scotland and Wales Bill was shelved in February after the loss of the Government's guttural time-table debate.

The key elements of the Bill that are still being negotiated between Mr. Foot and the minority parties use a means of giving the Scottish Assembly its own powers of taxation and a method of overcoming possible conflict of interest between the Assembly and Westminster.

What is not clear is what form the legislation will take. Many MPs expect separate Bills for Scotland and Wales, but

U.S. makes counter move against Arab boycott

BY RICHARD JOHNS, MIDDLE EAST EDITOR

Legislative measures aimed at countering the Arab boycott of Israel were adopted last night by a massive majority of the House of Representatives in spite of warnings by business leaders that they could cost the U.S. billions of dollars in lost export orders.

The lower house of Congress approved by 394 votes to 43 exemptions to the Export Administration Act which could make liable to criminal prosecution and heavy fines any companies "refraining" from doing business with Israel or black-listed companies in compliance with the requirements of the Arab boycott.

Foreign subsidiaries of U.S. companies which might be used to circumvent the proposed provisions are included, and the territorial aspects of the Bill are understood to be a source of concern to the British Government.

An alternative—but less restrictive—set of amendments has been worked out by a Senate committee, and will be submitted to a vote by the Upper House

Permitted

For a year, American companies would be permitted to supply negative certificates of origin after that would be allowed to give only positive certificates saying where the goods came from rather than affirming that they were not Israeli.

There is no dispute about the prohibitions on companies giving information about the race or religion of its employees, but other provisions are seen as likely to inhibit commercial dealings with the Arab world.

A senior executive of an oil company described the Bill as a "lawyer's release Act," and said that his corporation, which is engaged in a long project in the Arab world, might have little choice but to make its procurements outside the U.S.

In accordance with President Carter's pledges during the election campaign, the administration is in favour of federal legislation, but has been anxious not to damage commercial relations with the Arabs, or bring about a confrontation.

Much will depend on the administrative regulations related to the law, and how they are implemented.

Opponents take a pessimistic view. "This will mean the end of most major trade with the Middle East," according to a lawyer advising the Business Round Table, the National Association of Manufacturers and the Emergency Committee for Foreign Trade.

U.S. exports to Arab countries were worth nearly \$7bn. last year, and over the last four years, have grown from 5 to 10 per cent. of total sales abroad

Conduct code for directors' share dealings planned

BY MICHAEL LAFFERTY, CITY STAFF

The Stock Exchange is planning to issue within the next few months a code of conduct for directors' share dealings.

The code will be attached to the Stock Exchange listing agreement and therefore will be considered binding on the directors of all quoted companies.

The details were disclosed yesterday by Mr. Nicholas Goodison, chairman of the Stock Exchange, at a conference on international accounting standards organised by the Institute of Chartered Accountants in England and Wales.

Mr. Goodison said that the code would be a model of good practice. "We would expect every quoted company to have something very similar for its directors—and certainly not anything less strict."

General support

Mr. Goodison said that a draft of the proposed code had been under discussion with the Confederation of British Industry for some time and would be issued until all consultations, particularly those with City bodies, were complete. The Stock Exchange first approach to the CBI on the matter early last year.

Discussions so far had disclosed general support for the idea of a code which should go some way towards dealing with the difficult area of insider share dealing. He added the code would be issued by mid-summer.

The Stock Exchange was working closely with the Department of Trade/Bank of England joint review body on City institutions. He hoped this would result in the establishment of other bodies to improve self-regulation.

Bhutto declares martial law

BY DAVID HOUSEGO

Martial law was declared last night on Pakistan's three largest cities by Mr. Zulfikar Ali Bhutto, the Prime Minister, in a bid to curb the mounting violence which has claimed nearly 200 lives so far and to forestall the general strike called for today.

An announcement by the state-controlled radio said that martial law had been imposed in Karachi, Lahore and Hyderabad. The three cities have been the scene of the worst rioting since the Opposition launched their campaign last month to topple Mr. Bhutto and obtain a fresh general election.

With the prospect of tomorrow's general strike paralysing the country and bringing all public services to a halt, Mr. Bhutto's move represents a last ditch measure to preserve his regime.

He said on Sunday that he had no wish to draw an army force into this action as an admission that his civilian government no longer has the authority to enforce law and order.

Curfew

Armed troops patrolled the streets of Karachi yesterday after the curfew announced earlier came into force at dawn.

Shops were closed and traffic was at a halt. The curfew was extended to parts of Hyderabad.

Three people were killed and 11 injured while breaking the curfew in Karachi and Hyderabad.

A Government statement said martial law had been imposed because internal disturbances posed a grave danger to Pakistan's security.

The declaration of martial law transfers power in the three cities to the local garrison commanders. They were last night expected to issue regulations to keep essential services running to-day.

The last time that martial law was declared in Pakistan was on March 25, 1969, when former President Ayub Khan was driven from power.

It was lifted by Mr. Bhutto in 1972 when he felt that calm had returned to the country after the 1971 Indo-Pakistan war.

The difference now is that it has only been imposed in some parts of the country. Pressure on Bhutto, Page 5

Carter's fuel plan gains mixed backing

BY STEWART FLEMING

President Carter's proposed energy policy received a mixed reception in the U.S. today as business and political leaders expressed reservations about specific elements in the package. But they praised him for trying to make the country reset to the serious energy problems.

Perhaps the harshest criticism came predictably enough from the motor industry, which is facing penal taxes on cars with low fuel efficiency as well as higher petrol prices.

Mr. Thomas Murphy, chairman of General Motors, commended the President for focusing public attention on this "major national problem," but warned that "the results could be disastrous if we conserve our way to increased unemployment and runaway inflation."

The overall reaction seems to confirm the prediction that the President will find it extremely hard to push the complete package through Congress without important amendments.

This in itself is causing concern with some economists warning that a feebly legislative battle in Congress will add to uncertainty and discourage investment.

Outside the Administration, sources have generally endorsed the President's policy and his attempt to balance the rate of growth of U.S. energy demand.

Both the Organisation of Petroleum Exporting Countries (OPEC) and the International Energy Agency have welcomed the plan as a constructive way of tackling the world's energy problems.

In Brussels, Herr Wilhelm Haferkamp, the European Community's External Affairs Commissioner, called the plan "important and courageous," adding

Questioned

Economists have questioned that the package would add only 0.4 per cent. to the overall rate of inflation between now and 1985.

Business leaders emphasised the difficulties of carrying out the programme in the estimated period.

Mr. David Roderick, President of U.S. Steel, the country's biggest steel company, said that the changeover from oil and natural gas to coal would "be the greatest problem facing American business."

He estimated that the costs include \$30bn. for the coal industry to open new mines by 1985 and another \$8bn. for railroads to handle the coal. A further investment of \$70bn. would be needed by public utilities to convert to coal from oil and gas.

Details of reaction, Page 6

Editorial comment, Page 18

Lex. Back Page

Britain may accept lower EEC subsidy on butter

BY JOHN EDWARDS, COMMODITIES EDITOR

Britain is now expected to accept a butter subsidy of only 5.5p a pound when the EEC farm price talks resume in Luxembourg next week.

This contrasts with its insistence on a subsidy of up to 20p a pound, and rejecting an EEC offer last month which led to the breakdown of the last round of farm price talks.

Mr. Finn Gundelach, the EEC Agriculture Commissioner, said in London yesterday that a quick butter subsidy agreement should be reached next week.

"The subsidy we are offering is calculated by using U.K. butter prices slightly below their present level until the autumn. Then there will be a slight increase to bring them back to present levels until the end of the year."

Britain wanted a special butter subsidy to help offset price rises due this year under the transitional EEC membership arrangements. She might have added an estimated 13p to 18p to a lb. of butter to the U.K.

Mr. Gundelach said the Common Agricultural Policy and the EEC's future were at stake. Only the question of a butter subsidy and the "green pound" devaluation were outstanding. Silk's deal, Page 12

if a Scotsman swallows his pride...

it's BELL'S

ARTHUR BELL & SONS LTD. Estd. 1825 - One of the few INDEPENDENT Companies left in the Scotch Whisky Industry.

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LOMBARD

Bringing down speed limits

BY JOE ROGALY

PRESIDENT CARTEK'S message on energy is at least courageous: the craven approach of our own Government to any aspect of energy or transport policy is a stark contrast. One of the worst examples of this inability to take firm decisions came a fortnight ago when Mr. William Rodgers, the Secretary of State for Transport, announced his department's total capitulation to the foolish spirit of some of Britain's motorists, who seek to prove their vitiosity by risking their own and everyone else's lives in the fast lanes. As a result the 70 m.p.h. limit will be restored on dual-carriageway roads from June 1, with the limit for single-carriageway roads raised to 60 m.p.h.

Only a recording angel will be able to establish how much this eventually costs in lives lost and bodies maimed, but cost there will be. For the evidence of just about every study of the effect of speed on accidents involving severe injuries or fatalities is that the higher the speeds the greater the number of casualties. Our own recent evidence is clouded over by a great fog of typically British argument. It is as follows:

Accidents down

In December 1973, when the shock-horror fuel crisis made everyone sit up and take notice a general 50 m.p.h. limit was imposed. It lasted until the following spring, but during the accident rate in hours of daylight fell by 42 per cent. below the long-term trend line; the full in-hours of darkness was 27 per cent. On other roads the fall was around a fifth, both by day and by night. Not much notice was taken, partly because the purpose of the limit was to save fuel, not lives.

In December 1974, new speed limits were imposed, again to save fuel. They did, in the first half of 1975 motor fuel consumption was between 2 and 3 per cent. down on the first half of 1974, taking into account changes in mileage travelled. The new speed limits do not account for the whole of the fall; the Government estimate is that they explain only about a third of it. The rest was officially put down to "changes in braking and accelerating habits," in which one might add, price. But there was also an effect of the accident rate in hours of daylight fell by 42 per cent. below the long-term trend line; the full in-hours of darkness was 27 per cent. On other roads the fall was around a fifth, both by day and by night. Not much notice was taken, partly because the purpose of the limit was to save fuel, not lives.

TV Radio

8.00 It's a Knockout. 9.00 News. 9.25 Harry O. 10.15 Sailor. 10.45 Tonight: People and Topics (with regional variations). 11.16 Come Dancing. 11.56 Chuka. All Regions as BBC 1 except at the following times: 12.15-12.45 p.m. Transmitters Closed. 1.45-8.00 Signpost. 1.45-8.00 Signpost. 1.45-8.00 Signpost. 1.45-8.00 Signpost. 1.45-8.00 Signpost.

F.T. CROSSWORD PUZZLE No. 3361

1 Notice one left on the railway (6)
2 Bird was indisposed but attacked (8)
3 Mistle taking in syrup (9)
11 The first formal one (5)
12 The inmost part of mine (4)
13 Beginning to put in order a privilege to which all are entitled (10)
14 Conceal southern dam (7)
16 Cause lestering in right joint (6)
19 Being drunk, threw bricks (6)
21 Sick eastern convict returning against the law (7)
23 Bird served with fruit, not wanted by lovers (10)
24 A guide for sailor from the south (4)
27 One business transaction is excellent (5)
28 Main song taking in added flavour (9)
29 Psalm sung before following neglect (8)
30 Neglect to fabricate a type of shirt (6)

ACROSS
1 Notice one left on the railway (6)
2 Bird was indisposed but attacked (8)
3 Mistle taking in syrup (9)
11 The first formal one (5)
12 The inmost part of mine (4)
13 Beginning to put in order a privilege to which all are entitled (10)
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29 Psalm sung before following neglect (8)
30 Neglect to fabricate a type of shirt (6)

RACING BY DOMINIC WIGAN

AIR TROOPER, who has gained two impressive victories since being balloted out of the Irish Sweepstakes, for which he was strongly fancied, seems certain to go to post as a firm favourite for this afternoon's Sandown Cup. The easy winner of Kempton's Rosebery stakes, a fortnight ago, in which he passed the post four lengths clear of Major Role runner up, Air Trooper again won with a good deal in hand when landing the £6,000 Newbury Spring Cup on Saturday. Sent into the lead below the distance on the Berkshire course, Bill Wightman's smart King's Troop cut quickly asserted his superiority over Allante, forging clear of that highly-rated colt from whom he was receiving only 8 lbs. to score by three lengths.

SALE ROOM BY ANTONY THORNCROFT

MISS ROSE letter sets record. THE CELEBRATED Miss Rose letter, reckoned to be one of the top ten rarities of the philatelic world, was sold to a South American collector for £70,000 at Stanley Gibbons yesterday. The letter, bearing a pair of 2 pence British Guiana stamps of 1850-51, had been in the British North America and West Indies collection of the late Claude Cartier, head of the fine jewel company. Highlights from the collection fetched £443,900, a record for a one-day stamp auction.

Britain takes top place in American TV ratings

THE AMAZING World of EMI, the British entertainment and electronics group, its films and theatre division is headed by Lord DeLont, brother of Lord (Law) Grade, who heads ATV, makers of the Jesus production. The amazing world of Howard Hughes was screened in two 120-minute sections. The first half was fifth in the ratings, and the second rose to first with a favourable reception from critics and public.

Voluntary code of practice for borrowing on authority

PROPOSALS for a new voluntary code of practice for local authorities borrowing to meet growing official concerns as to the extent to which local councils have been relying upon short-term loans are to be presented for Government approval at a meeting at the Treasury on Monday. The new code, which has been drawn up by a joint working party of the local authority associations, is designed to extend the average period of local councils' outstanding debt over the next few years by introducing an additional limit on local authorities' use of short-term funds.

Building recession puts 2,000 architects out of work

THE RECESSION in the construction industry has meant that more than 2,000 architects have been laid off work in the last 12 months, according to the Royal Institute of British Architects. The first comprehensive survey of the architectural profession since the recession began to affect output shows that more than 40 per cent of private sector design offices have taken the step of staff. An estimated 1,200 people have managed to find jobs elsewhere, but about 600 remain unemployed. Of those finding alternative employment, more than 60 per cent have been forced to find work outside their profession, and some have taken jobs far from their sub-postmaster's office. The architects say that the recession has led to a sharp drop in new business, and that many offices have been forced to reduce staff levels. Only London showed a regional improvement with the north of England suffering the largest job losses.

International Harvester U.K. chief executive change

Mr. Lawrence A. Abbott is to be managing director of INTERNATIONAL HARVESTER COMPANY OF GREAT BRITAIN from May 1. He returns to the Board in the U.K. from his present position as managing director of JH Great Britain, and will be assisted by Mr. Robert Harvey, who has retired from that position. Mr. Geoffrey R. Rowe is director and general manager of BIRKBY'S PLASTICS, not Mr. Howe as reported on Tuesday.

Two London rail bridges to be rebuilt

TWO RAILWAY bridges at London will be rebuilt. The bridges are the High Road and Bakerloo lines over Kill Lane, which will take 16 months to complete. The reconstruction work will start next month. The 87-year-old cast iron bridge over Kill Lane will be replaced by a new steel bridge. The Bakerloo line bridge will also be replaced. The reconstruction work will cost about £800,000. The High Road and Bakerloo lines are two of the busiest lines in London. The reconstruction work will improve the safety and capacity of these lines.

Bank Return

Table with columns for Bank Name, Assets, Liabilities, and other financial data. Includes entries for National Westminster Bank, Barclays Bank, and others.

Jubilee decorations go on soon

THE MALL and Trafalgar Square will take on a festive look next week when the Silver Jubilee decorations start appearing on the 79 crown-topped flagpoles already lining the first part of the Royal Jubilee procession route from Buckingham Palace to St. Paul's Cathedral for the thanksgiving service on June 7. The flags and banners have been designed by the Department of the Environment's Directorate of Ancient Monuments and Historic Buildings. They feature a Silver Jubilee colour scheme of pale red and blue with silver and fawn, devised to complement the Union Jack. Five galleon dressings have been designed to enhance the pageantry of the occasion.

London Broadcasting

Capital Radio 194m and 55.5 VHF 2.30 p.m. News. 2.45 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 3.45 p.m. News. 4.00 p.m. News. 4.15 p.m. News. 4.30 p.m. News. 4.45 p.m. News. 5.00 p.m. News. 5.15 p.m. News. 5.30 p.m. News. 5.45 p.m. News. 6.00 p.m. News. 6.15 p.m. News. 6.30 p.m. News. 6.45 p.m. News. 7.00 p.m. News. 7.15 p.m. News. 7.30 p.m. News. 7.45 p.m. News. 8.00 p.m. News. 8.15 p.m. News. 8.30 p.m. News. 8.45 p.m. News. 9.00 p.m. News. 9.15 p.m. News. 9.30 p.m. News. 9.45 p.m. News. 10.00 p.m. News. 10.15 p.m. News. 10.30 p.m. News. 10.45 p.m. News. 11.00 p.m. News. 11.15 p.m. News. 11.30 p.m. News. 11.45 p.m. News. 12.00 p.m. News.

Royal Court

Curse of the Starving Class

by B. A. YOUNG

Shepard has given us an account of the hard times of a poor American farm such as you might have read in the Saturday Evening Post before the war. The exciting originality of *Curse of the Starving Class* is nowhere to be seen.

The play is set on an avocado ranch in California, no doubt remembered from the author's work which was spent on one of the poorest of the poor, the miner and his wife Ella. She is going to sell the house and land to a property developer, Layton; but in so doing she has made a drunken mess of it. She is now in a position where she owes money. Layton is seen off and Ellis sends

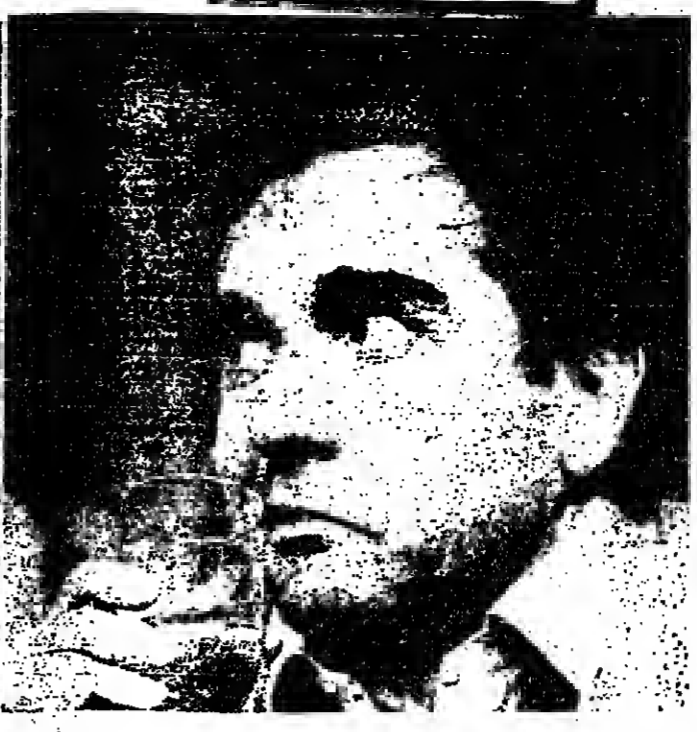
I found it all slow going. The dialogue is as ready-made as the characters, though from time to time each player is given a kind of cadenza that almost recalls how Mr. Shepard can write when he is in better shape. These cadenzas unfortunately don't quite fit the characters. It's not the change of speech pattern in mind, but the change of thought pattern; speeches of such kind should illustrate personalities, or at any rate indicate the direction in which such personalities might travel in other circumstances. Mr. Shepard's examples are for show-off. They only confuse things.

They are well enough handled by the company, who do what they can with the stereotyped individuals of Nancy Meckler's rather sluggish production. Brian Deacon, as Wesley, surely clocks up one for the book by being the first actor to pee, full frontal, on the stage; elsewhere he captures the boy's aimless introversion nicely. Part Love, as his little sister, is candidly dotty as a girl from Salford; an entertaining though hardly convincing display, and as their father Dudley Sutton seems to have modelled himself on mid-time models like Will Rogers and W. C. Fields.

The poverty of the farm is hard to imagine. This run-down household has a bathroom with hot water, electric power, a telephone, an ice box and a car. A wife as efficient as Annie Crochick, Ella, would hardly have allowed such improbable excesses of hunger to happen.



Dudley Sutton in Sam Shepard's 'Curse of the Starving Class'



Henry Woolf in Heathcote Williams' 'Hancock's Last Half Hour'

Almost Free

Hancock's Last Half Hour

by MICHAEL COVENEY

Tony Hancock in his hotel bedroom in Kookaburra Grove, Sydney, a long way from Railway Cuttings, Cheam, that "death cell" well known to the comedian "with executions once a week." Heathcote Williams's lunchtime play is a poignant, personal epitaph for a deeply sad character who would have obviously hated being remembered in such a way. All alone with his vodka bottle and, on the wall, a stuffed moose's head, Hancock's life flashes before him before being washed away with a few handfuls of pills and a couple of large swigs.

Henry Woolf's performance, though sluggish to start with in Peter Southcott's production, is slowly transformed into a fascinating study of character. Hancock emerges as a rather more fantastic reflections provided by Mr. Williams. Su-

Hancock never actually "dies" in the play, but the "thematic epilogue" cured by a stick "you feel he should have done. And, commenting on Dr. Johnson's remark that laughter provided his own personal, is what distinguishes Hancock from the history.

The Entertainment Guide is on Page 8

his frightened to the farm to scare Westro away and ensure the completion of his purchase.

Much happens in between, however. Wesley, Westro's son, Wesley, and his daughter, Emma, ride a horse through Ellis's bar and shoots up the customers. Westro undergoes a laic reformation and brings himself and his house back to respectability. Wesley loses his mind and goes mad. Wesley, left in his father's care, is a red-headed and red-haired, fat Westro himself.

Purcell Room

Coull String Quartet

by RONALD CRICHTON

At last night's Westminster concert, the four ex-RAM members who form the Coull String Quartet gave a programme of British chamber music written during or soon after the war. The Second Quartets of Tippett and Britten, and Walton's only surviving string quartet (written a long time ago) are all typical. Tippett and Britten in their distinct ways (Britten's writing more transparent, his assertions of tonality more deliberate, the effect more brilliant if less haunting) look backwards to the adagio and Purcell, well as forward to the ways their traditions can put forth fresh leaves. Walton applies his well-established idiom with urbane assurance to the intimate medium.

Starting with the Tippett asks much of the players in the

Elizabeth Hall

Peter Katin

by DAVID MURRAY

Mr. Katin nursed a rather mild programme along with his usual virtuosity. Not that his playing is tentative, far from it, but he addresses himself to the keyboard in the manner of one who has been handed a very difficult task. It is quick, replete with all in what one ears from his piano. It is perhaps as a lack of sweep: long dramatic spans are liable to break into their component fragments. This happened with the first movement of Beethoven's *Puotique Sonata* last night, and again in the *Adagio*.

In other respects, Katin's musicianship is not to be faulted. Quite without flamboyance, he plays with scrupulous clarity, but served excellently for the programme-book, beyond a list of the other works he was playing.

Elizabeth Hall

Brussels Mozart Orchestra

The Orchestre Mozart de la Ville de Bruxelles, to use the full French title, was founded 20 years ago by Guy Barbier, still the musical director, to provide the Belgian capital with a chamber orchestra not only for the chamber music but for the chamber and modern repertoire as well. As a well-wisher with happy memories of music in Brussels, I hope one may be forgiven for suggesting that next time they include some of their other repertoire. We don't often hear Belgian music: one is anxious to know what they would bring.

Wednesday's programme was all Mozart. The Brussels strings have a pleasing, open, rather forward tone different from ours, but confined to the violins but apparent in the lower lines also. Unfortunately they failed to do much with it as a race we are not used to. It would take a more winning performance than this one to be heard to imagine an English orchestra playing Mozart with so

PRs Jubilee Awards

Sir Lennox Berkeley, President of the Performing Right Society, yesterday presented a number of special awards to the Queen's Silver Jubilee. These included gifts of £1,000 each to the Snape Maritime Foundation School for advanced Music Studies (for a PRS Scholarship in memory of Mendelssohn Scholarship.

Cinema

Rocky's American Dream

by NIGEL ANDREWS

Rocky (A) Leicester Square Theatre
Seven Beauties (K) Curzon
Fern, the Red Deer (U) and
The Gutterball
Children's Film Foundation

"They don't make movies like that any more," laments the deathless axiom of the film industry. But recent history has demonstrated that they do—and indefatigably. Especially in Hollywood, and especially in the department of big-budget popular entertainment. What is *Airport '77* but a Grand Hotel of the skies? What is *Silver Streak* but a shiny, updated version of *The Lady Vanishes*? And

protestation on the studios' part, he was.

The film has its share of faults. Most of Stallone's characters, for example, are taken straight out of stock. There is the trite, rough-diamond character (Burt Reynolds) there is the character-smoking, ineffectual promoter (Thayer David); there is the Big Baby hero himself, with his dumpy, hulking, adolescent charm; there is even the plain Jane wife (Talia Shire) who goes through the hum-drummed Hollywood ritual of taking off her glasses to reveal the she is not such an ugly duckling after all.

But the film moves along quickly and surefootedly to

patiently, finally a reluctant draftee into the Italian army. Concealed somewhere inside this sandily wrapped Christmas cracker of a plot is a funny little motto about the survival of the fittest in the jungle of modern life. Survival in Miss Wer-

From *The Red Deer* and *The Gutterball* are the latest offerings from the Children's Film Foundation. This organisation receives an annual grant from the State of £500,000—which members of Adults' Lib might care to know is roughly four times the yearly grant to the RFI Production Board, the country's main independent film-making outfit for grown-ups—and it has, understandably, a somewhat nervous relationship with the Press.

From *The Gutterball* the CFF just about emerges with honour amidst a wilyly scripted science fiction fantasy in which dialogue, characterisation and special effects are all of a high standard. Director Harley Cockles gets a lot of mileage, literal and metaphorical, out of the adventures of his little hero, a shy, spherical, crisp-gobbling alien pump and funny enough to make us forget the film's empty rattling inside. The murder of the pimp, for instance, those glibulous—or rather the disposal of his body—is an appallingly hilarious demonstration of how badly our hero finally encompasses and thus ends up having given both his soul and his body to the devil, as it were, for the reward for earthly survival.



Rocky and friend

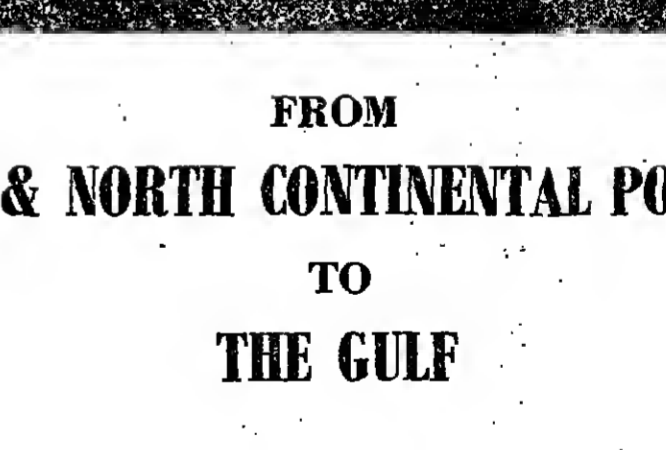
Loside most fat films there is a thin one trying to get out and the struggle is painfully evident for most of this film's duration. Sometimes the set pieces are pump and funny enough to make us forget the film's empty rattling inside. The murder of the pimp, for instance, those glibulous—or rather the disposal of his body—is an appallingly hilarious demonstration of how badly our hero finally encompasses and thus ends up having given both his soul and his body to the devil, as it were, for the reward for earthly survival.

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EUROPEAN NEWS

Italian government expected to resign after London summit

BY DOMINICK J. COYLE

ROME, April 21.

THE EIGHT-MONTH-OLD minority Christian Democrat Government of Italy is likely to resign formally shortly after Prime Minister Giulio Andreotti returns from the London summit meeting of the seven leading Western industrial countries next month.

Irish plea on torture contested by Silkin

By Our Own Correspondent

STRASBOURG, April 21. THE IRISH plea before the European Human Rights Court here that British officials responsible for alleged torture in Northern Ireland should be prosecuted, was strongly contested to-day by the U.K. Attorney General, Mr. Sir Silkin, who argued that the court had no power to specify any such remedies.

FRENCH COMMUNIST NATIONALISATION PLAN

Oil, steel and car groups earmarked

BY DAVID CURRY

THE FRENCH Communist party has formally proposed that six of the common programme of the Left which dates from 1972 should be added to the list of companies to be nationalised.

Tough options for Swedish steel

BY WILLIAM DULLFORCE

STOCKHOLM, April 21.

A DRASTIC restructuring of the Swedish commercial steel industry, involving reduced production, closures, mergers and product exchanges, is foreseen in a Government White Paper published to-day.

EEC-U.S. accord on Paris talks

BY ROBIN REEVES

BRUSSELS, April 21.

U.S. AND EEC officials are in a broad agreement on the approach to be adopted towards the final negotiating round of the Paris North-South conference.

Broad backing for Davignon plan

BY DAVID BUCHAN AND JOHN HUNT

STRASBOURG, April 21.

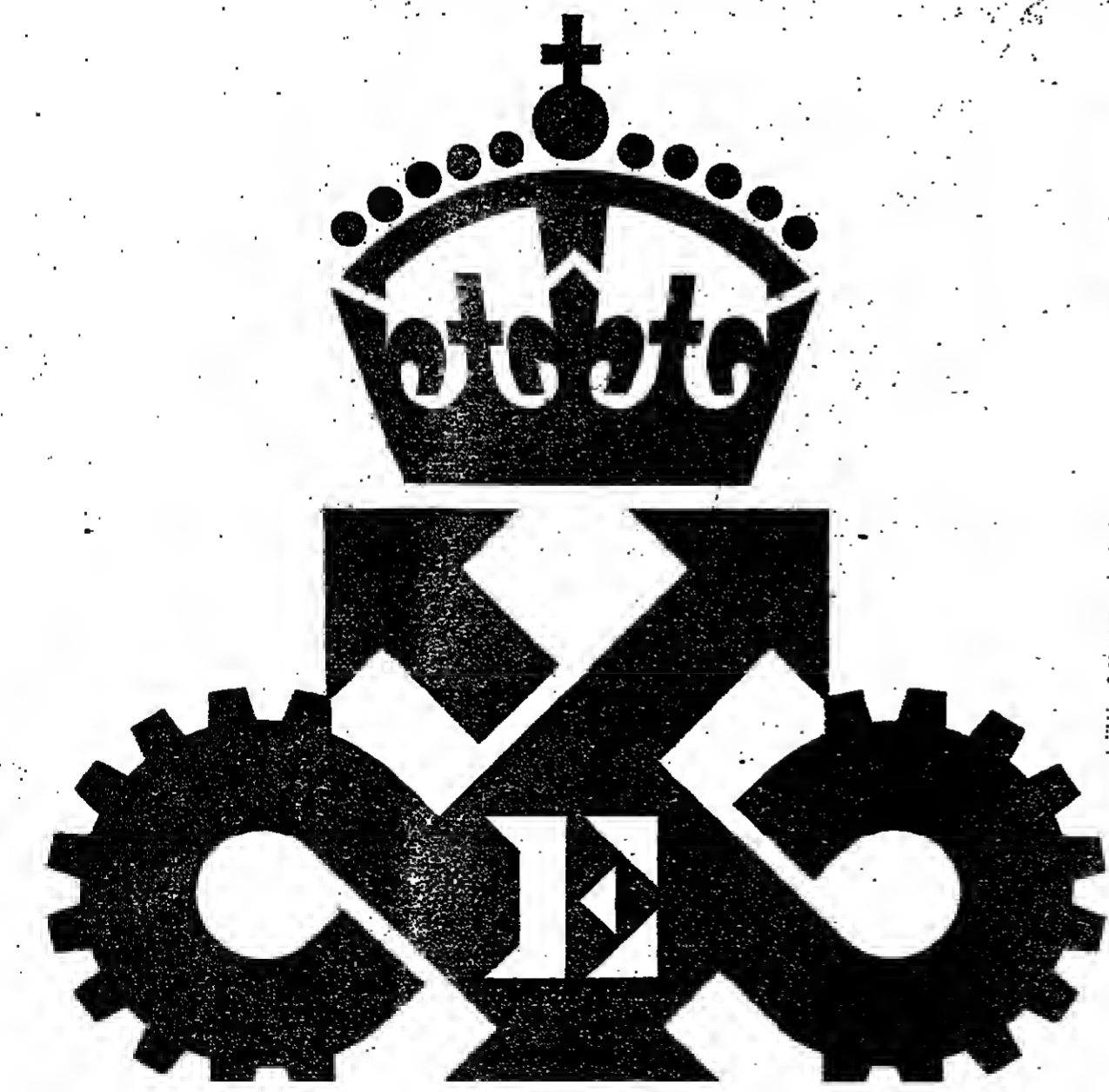
THE BRUSSELS Commission plan to stabilise steel prices and to restructure the European steel industry was given broad backing to-day by the Socialists, Christian Democrats and Liberal groups in the European Parliament.

Policeman killed in Rome riot

By Paul Setts

ROME, April 21.

ONE POLICEMAN was dead and a second seriously wounded when rioters erupted this evening at University, following an orderly protest meeting against the Government's recent education reform measure.



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WIN THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

Davy-Loewy, the Sheffield-based Davy International company, has won the Queen's Award for Export Achievement. Over the past three years the company has increased export sales from £4.25 million to £25.3 million.



Africa t Mozam... Rhodesia... oceans fight... Australian uranium

OVERSEAS NEWS

S. Africa to build air base by Mozambique border

By Quentin Peel

JOHANNESBURG, April 21.

SOUTH AFRICA is to build a new air base in the eastern Transvaal near its border with Mozambique, and national service conscripts is to be mobilised from 12 months to two years.

Details of the new air base, maintained in an advance release of the minister's speech, are confirmation of the rapid build-up of South Africa's air force. To be sited at Hoedspruit, on the border with Mozambique, the base was necessary to receive congestion at existing bases such as Waterkloof and Swartkop outside Pretoria.

Careful Rhodesia moves

By Our Foreign Staff

THE JOINT U.S.-U.K. decision to propose constitutional independence on Rhodesia is unlikely to be made before early May, when President Carter and Mr. Cyrus Vance, the U.S. Secretary of State, are to discuss the matter with British Ministers in London.

James Callaghan, the British Prime Minister, when they were in London before the economic summit on May 1. Neither the U.S. nor Britain seems to see the week's statement by the Rhodesian nationalists, the Patriotic Front, as a sign of any intention to accept U.S. involvement in the projected conference.

Moroccans fight in Zaïre

KINSHASA, April 21.

ZAIËRAN and Moroccan forces have started a "general offensive" against invaders in the south-eastern province of Shaba (formerly Katanga) and are now ready to launch a final assault.

group today" deplored "Zairean claims that Government troops had captured two Front guerrillas in Shaba. The Front said that President Mobutu's decision to use Pygmy tribesmen against the insurgents meant that they were being sent to meet a massacre."

Union and student pressure on Bhutto

By Our Foreign Staff

THE DECLARATION of martial law yesterday in Pakistan left unclear whether the armed forces will try to press the Prime Minister Mr. Zulfikar Ali Bhutto into making political concessions as the price of their support.

ISRAEL'S OCCUPIED TERRITORIES Good intentions, poor results

By Robert Graham, Middle East Correspondent, Recently in Tel Aviv

THE WEST Bank and the Gaza Strip will have experienced 10 years of Israeli military rule in June. At the time the Israelis were full of good intentions.

of political will, and the reaction of settlement have arisen from a sheet of paper torn from a school copy book. But she notes that occasionally the manifestations can be more violent, such as the burning of tyres or the throwing of stones at the Israeli defence forces.

Protests mark independence day

Demonstrators staged protests in the West Bank and Gaza Strip on the day of Israel's independence. The demonstrators, mainly schoolchildren who stayed away from classes, set fire to tyres in the streets and stoned passing police and soldiers.

has become more despairing of a solution and more weary of protest. There is more talk outside the Occupied Territories of a separate Palestinian entity being established but after 10 years many of the older generation in the territories are only preparing to believe in a settlement when they see it happen.

of discontent are removed and sent to remote areas, pupils considered troublesome are transferred to different schools. Those pupils arrested are fined heavily. The usual fine is £10,000 (\$25) which only their parents have the means to pay, and then often with difficulty.

earmarked... Police killed in Rome... Moroccans fight in Zaïre... Egyptian lifts travel curbs on Libyans... Bangladesh president... NZ bus strike... Australian uranium plea... Sahara battle claim... Front off to Dar... Drought talks

The true cost of flying 36 million drinks didn't produce a hangover.



Table with flight routes and prices: Kana, Lagos, Nairobi, Lusaka Ndola, Khartoum, United Arab Emirates, Perth, Sydney Melbourne Brisbane, Auckland.

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WY... manufacturers... ASIAN DEVELOPMENT BANK appeals for more funds... AUSTRALIAN URANIUM plea... SAHARA battle claim... FRONT off to Dar... DROUGHT talks

PRESIDENT CARTER'S ENERGY PLAN

The heart of our energy problem is that our demand for fuel keeps rising more quickly than our production

Oil companies pleased and relieved by the President's proposals

BY RAY DAFTER, ENERGY CORRESPONDENT

PRESIDENT CARTER'S energy package has pleased oil companies on two basic counts. If successful, the conservation measures will have a significant impact on the free world's demand for oil...

Heating and insulation

By Jay Palmer NEW YORK, April 21.

LONG-TERM element to Mr. Carter's strategy is to be



insure that the U.S. starts now to develop new, renewable, nonconventional and essentially inexhaustible sources of energy.

Most of the major oil companies have deliberately diversified into other energy forms, such as coal, nuclear power, solar energy and oil shale. In effect, they have been told that they can carry on, providing they do not abuse their strength and they are more open to the way they deal with other energy forms...

But it will be the President's conservation measures in which will have the major impact on the world energy scene. The U.S. is the biggest single oil importer. One industry survey shows that if the country adopted the European mix of cars, as opposed to its present "gas guzzlers" some 3m. barrels a day could be cut from its consumption.

At present three-quarters of America's transport demands, which itself takes care of about half of all the oil consumed. President Carter has chosen to attack the two basic reasons for this high petrol consumption: the low consumption of most U.S. cars and the relatively low petrol prices.

Table with 4 columns: Oil Consumers and Producers, Millions of barrels a day, 1974, 1980, 1985. Rows include United States, EEC, Japan, OPEC.

American-produced oil to \$13.50 a barrel was seen as a vindication of the more "realistic" crude costs introduced by OPEC in recent years.

The Japanese Government "valued highly" the U.S. plan which was expected to produce "desirable effects" on the world energy supply and demand relationship. But most Japanese officials and businessmen were more sceptical.



Opposition spokesman on Energy in the British Government should study President Carter's statement and be more imaginative about the formulation of an energy policy.

Gloomy forecast for 1980s

IN THE absence of greatly increased energy conservation, projected world demand for oil would approach productive capacity by 1980, and substantially exceed it by 1985, according to the U.S. Central Intelligence Agency (CIA).



Coal: a cautious welcome

By Jay Palmer

NEW YORK, April 21. PRESIDENT CARTER deliberately waved both a stick and the carrot in front of the coal producers in his energy address to the nation.

As long as this target was achieved, he strongly hinted, there would be no need to force the huge energy conglomerates to divest their coal subsidiaries.

Although the very largest U.S. coal producers and the National Coal Association in Washington, this morning reacted with enthusiasm to this part of the President's message, there remains some deep concern over what may be seen as basic inconsistencies.

The President's target, a spokesman for Peabody Coal, the subsidiary of Kennecott Copper and America's largest single coal mining company, said this morning.

Specifically, the NCA said that to achieve targets, the Government would first have to liberalise air quality restrictions, second, lift current prohibitions on surface mining, and third, prevent investment capital from being squandered on expensive conversions of plants from oil to coal when the money is needed to build new coal mines.

Car industry facing major upheavals

BY STEWART FLEMING NEW YORK, April 2

IF President Carter's energy programme were to be put into effect as it stands, the U.S. auto industry would be faced with a complex and sudden shift in its operations of almost unprecedented proportions.



As a result of the linking this proposal to individual models of cars instead of to average sales of a particular company, if the new taxes were to come into effect in the proposed form the companies would have to adjust and redesign their design strategy for each model.

What comments there were to some extent were predictable. Thus American Motors, the fourth largest U.S. car company, and the specialist small car producer, welcomed the proposals.

U.S. motor industry is already spending billions of dollars in its efforts to meet the fuel economy standard of 27.5 miles per gallon by 1985.

But the President's new proposals move away from the fleet average concept with a complex table of duties levied for each car. Levies on "gas guzzling" cars would rise each year on each car to the \$2,500 peak for cars which average less than 11 miles per gallon in 1985.

Congress backs the goals but questions the means

BY DAVID BELL

PRESIDENT Carter told Congress before he began his speech last night that he did not expect very much applause and there was little to be heard.

Few Congressmen quarrelled with the goals that Mr. Carter set last night but meeting there is another matter despite the fact that both the House of Representatives and the Senate are heavily Democratic.

The leadership of both House and Senate pledged support and new omnibus committees have been set up especially to guide all the different pieces of legislation that the President's proposals call for through the legislature.

Mr. Carter is well aware that he will have to make some concessions and the most likely area is in the proposal to introduce a new tax on petrol if national consumption of petrol does not fall.

regions represented in Congress, a struggle to which the President more than once referred last night. Governor Dolph Briscoe, of Texas, described the plan this morning as aimed like a cocked gun at Texas because of its effect on the State's oil and gas industry.

Support from the EEC

EEC COMMISSION leaders expressed strong hopes that President Carter's energy declaration would accelerate progress towards an EEC common energy policy.

There is also going to be a serious struggle between the regions represented in Congress, a struggle to which the President more than once referred last night.

WASHINGTON, April 21.

present an energy conservation plan to the Council of Ministers in June, he added.

Paris, the International Energy Agency (IEA) welcomed the package: "President Carter has recognised that oil is our going to be an energy source for ever. The details of the programme appear responsive to the American situation, and the general thrust of the Carter plan will, we think, be an example for other countries."

Mr. Richard Cooper, the U.S. Under-secretary of State for Economic Affairs, who was also present, confirmed that Mr. Carter's optimism saying deliveries would resume.

Herr Brunner said the EEC ought to be inspired by President Carter's declaration to take similar stringent energy saving measures. Europe would be in a "bad fix" by the 1980s if it did not act.

Leyland not too worried

BY OUR INDUSTRIAL STAFF

THE FIRST reaction from British Leyland, which is the principal exporter of British cars to the U.S., is that President Carter's proposed tax on "gas guzzlers" would not have a significant impact on sales.

The impression among importers is that the new energy measures will have a much less serious impact on the car market than the miles-per-gallon regulations, due to come into force next year.

In 1978 the target will be 18.5 miles per gallon (American gallons), rising in 1985 to 27 miles per gallon, equivalent to the British figure of 33 miles per gallon.

OTHER AMERICAN NEWS

Slowdown in U.S. consumer price rises as winter effects recede

BY DAVID BELL

THE U.S. consumer price index rose a seasonally adjusted 0.6 per cent last month as the rate of increase in food prices, largely caused by the severe winter, began to slow down.

The Labour Department said that the March rise translates into an annual increase of just over 7 per cent, or about half the annual rate suggested by February's 1.0 per cent rise.

In a separate set of statistics for preliminary real earnings in March, the Department said that

weather problems to the Midwest may cause further increases later in the year. The index also reflected the sharp increase in the cost of heating homes during the cold winter. This increase, which is now coming home to people as they receive gas and electricity bills, has been causing severe problems for lower income Americans. Utility companies are now disconnecting, at a record rate, those people who have not paid their bills.

real spendable earnings fell last month by 0.1 per cent. This was the first decline in the first three months of this year. The consumer price index has been rising at an annual rate of 10 per cent, which is well above the Administration's estimate that the underlying rate of inflation is about 6 per cent.

Tory joins Trudeau

By Victor Mackie

OTTAWA, April 21. PRIME MINISTER Pierre Trudeau announced today that he has taken Mr. Jack Horner into his Cabinet as Minister without Portfolio.

U.S. Steel prices warning

BY STEWART FLEMING NEW YORK, April 21

U.S. STEEL, America's largest steel-maker, this morning announced it is "examining in detail" the possibility of instituting yet another round of price rises on its broad product line.

Mr. David Roderick, president, stressed that it was too early to predict the size or the timing of the forthcoming price rises which would inevitably have a substantial inflationary impact by triggering off identical price adjustments by most other steelmakers.

ARGENTINA'S RETREATING GUERRILLAS

A ride on the Graiver train

BY ROBERT LINDLEY IN BUENOS AIRES

IN ITS first full-scale report on subversion in Argentina, the army has announced the end of the guerrillas as a paramilitary force. "They are limited almost wholly to murdering and terrorism," said the army's intelligence chief, Brig-Gen. Carlos Alberto Martinez.

The Graiver Affair began with the reported death in August of David Graiver. A first generation Argentine with literary ambitions, he became president of the bank in La Plata, capital of Buenos Aires province.



President Videla is uncharacteristically passionate.

Industrialist who was to become the Peronist's first Economy Minister and who like Juan Graiver, was a Jewish immigrant from Poland. Then David Graiver, who in the meantime had acquired the Banco de Hurlingham in a Buenos Aires suburb, turned into an international banker; he is said to have acquired the American Bank and Trust and the Century National Bank in the United States and the Banque pour l'Amérique du Sud in Brussels.

Where did David Graiver get all the money? While announcing on Tuesday that the military junta on that day had ruled that the ill-gotten gains of Juan Graiver, Isidoro Juan's other son, and David Graiver's second wife Lidia were to be confiscated along with the fortunes of three others in "the Graiver group," President Videla said that "the Graiver group worked for subversion."

Various advertisements on the right margin, including 'AIR', 'The Building', and other text-based ads.

Industry major als

Soviet call for more compensation in trade with U.K.

By Margaret Hughes

A MAJOR problem in Anglo-Soviet trade is that British companies appear reluctant to become involved in compensation deals on which the Soviets insist, according to a report by Mr. M. Kiochek, head of the Soviet Central Economic and Planning Department when he spoke in the annual conference of the Anglo-Soviet Chamber of Commerce in London yesterday.

Both the Soviet Union and Britain must work hard to raise Britain's share of Soviet foreign trade, he said. At one time Britain was one of the Soviet Union's leading Western trade partners but it had now slipped back to seventh place. Over the past two years, however, he said there had been a significant improvement in the way Britain's share of Soviet trade had risen to 10 per cent in 1975 and 1976 compared with 1973, while Soviet imports of British goods had increased more than ten-fold.

Over the same period British industry had received more orders for machinery and equipment than ever before and the Soviet Union now ranked fourth in the list of British exports with automobiles. Just recently, Mr. Kiochek pointed out, some of the largest contracts in the history of Anglo-Soviet trade relations had been signed and he cited as an example the £100m. gas pumping contract awarded to the CORROW consortium last year and the

Britain puts duties on Spanish steel

By Roy Hodson

A RANGE of substantive anti-dumping duties has been imposed on some types of Spanish stainless steel from today by Mr. Edmund Dell, the British Trade Secretary.

Rates will vary between 8 and 16 per cent according to specifications. This is the first substantive anti-dumping duty on a foreign range of steel since the Government began to respond to pleas from private-sector steel-makers last autumn and imposed a series of provisional anti-dumping duties.

In the Spanish case, the new duties displace a provisional anti-dumping duty of 10 per cent on all Spanish steel bars and billets, which has been in effect since October. After a detailed investigation in Spain by an official team from the Department of Trade, the Government says it is satisfied that dumping is occurring and that it is causing injury to the British steel industry.

The British Independent Steel Producers' Association has led a campaign for anti-dumping legislation. The Government has seen evidence that some British companies making specialised steels have lost out in two-thirds of their business in certain types of steel.

No further action is to be taken at present against Spanish stainless steel billets. The Spanish companies involved in the trade have given the British Government assurances that they will only supply to fulfil existing contracts. In another contentious trade—Spanish valve steel—an action will be taken because the Government believes that imports exceed demand.

Dell deals gently with Korean trade gap

By Douglas Ramsey

MR. EDMUND DELL, the British Secretary for Trade, held talks here today on the increasing British trade deficit with South Korea. Absent from Mr. Dell's remarks to Korean ministers, however, was the sort of vehement warning he delivered to Japanese officials earlier this week about the possible consequences of letting trade imbalances continue.

Nevertheless, Mr. Dell kept up his crusade against import barriers before Far Eastern markets. He set full backing from his Korean counterpart, Mr. Chang Yoo-Joon, for a major U.K. trade fair here in June 1978. The Minister of Commerce also promised to send a senior purchasing team in the autumn to the U.K. to help cut back the Korean trade surplus with Britain of £72.5m last year. Mr. Chang, for his

part, look Mr. Dell to ask for the U.K.'s action to soothe and dissuade textile imports from Korea. Mr. Dell and the Korean acting Foreign Minister, meanwhile, signed a double taxation agreement which, British diplomats in Seoul hope, should improve the climate for U.K. investment here.

South Korea, and not Japan, may have been the chief Far East disturber of the British import pattern last year. In 1976, Japan barely increased its exports to the U.K., yet Korean exports increased sales in Britain by 32 per cent to £136m. The Minister of Commerce also promised to send a senior purchasing team in the autumn to the U.K. to help cut back the Korean trade surplus with Britain of £72.5m last year. Mr. Chang, for his

quarter of this year, Britain sent only 7 per cent more in value of goods to Korea on a year ago, while Korea sent 114 per cent more in the U.K. The British trade deficit with Korea grew by 50 per cent in 1975, then by 250 per cent last year, rising from £15m to £22m, and then to £72.5m.

In his talks with the Korean Commerce Minister, Mr. Dell urged Korea to increase its imports as a first step toward eliminating the imbalance. But he did not preclude further British controls if Korean exports continue to rise as quickly as they did last year.

It was clear from Mr. Dell's low-key approach here that he is less convinced about how to handle the Koreans than he is the Japanese. Korea is still a developing country. There is growing concern in London that

Credit granted for India oil pipeline project

By K. K. Sharma

NEW DELHI, April 21.

THE WORLD BANK has approved substantial credit to finance the dual Isola pipeline project to transport crude and associated natural gas from the offshore Bombay High oilfield to the coast.

The loan agreement—expected to be around \$500m.—will be signed when the Indian Government gives final approval to the project which has been approved by the Oil and Natural Gas Commission for completion before the monsoon of 1978.

According to Mr. H. N. Bahuguna, the Petroleum and Chemicals Minister, the Government still has not given final approval to the project which will be the first oil development scheme to be financed by the World Bank. Mr. Bahuguna said the matter was now before the Public Investment Board for clearance and approval. He said he would be in Delhi on Monday to meet all his colleagues to cut ex-

penditure as part of the budgetary exercises to reduce a \$1bn. deficit. However, since the World Bank loan would meet removal of resources constraints, Mr. Bahuguna expects the project to be cleared.

The commission has already floated tenders for the pipeline project, work on which must begin in September if it is to be completed before May 1978.

Yarn curbs Imports of cotton yarn from India will be restricted to 5,500 tonnes in the period April 1 to December 31, this year. Although the previous U.K. quota on Indian cotton yarn expired on March 31, this year, imports are to be restricted for the remainder of 1977 in view of their substantial increase in 1976 and the first two months of 1977 and in order to avert the threat of serious market disruption.

U.S. warning over Tokyo talks Japan-EEC talks soon

GENEVA, April 21.

PRESIDENT CARTER'S new trade negotiator, Mr. Robert S. Strauss, said today that any further delay in the Tokyo Round of trade liberalisation negotiations is a luxury the world cannot afford.

Mr. Strauss warned that there was a general frustration over the lack of concrete progress in the negotiations, which began in 1973 and which originally were to have been concluded by the end of last year.

"The president is determined to give a sense of urgency to the negotiations which have been slowed down a bit," Mr. Strauss told a Press conference after talks with Mr. Olivier Long, director-general of the General Agreement on Tariffs and Trade (GATT) which provides the framework for the Tokyo Round.

Mr. Strauss said it would be too negative to speculate whether, if no meaningful progress were made this year, it would be worthwhile continuing the negotiations.

"What I can say is that if no progress is made someone else will be sitting here," Mr. Strauss said, "I have no many grey hairs to be sitting around a table."

Mr. Strauss said President Carter's energy programme has tremendous implications for trade and that equitable arrangements will have to be made with America's trading partners.

He added that besides the Tokyo Round this is one of the subjects he will be discussing in his visit to Brussels and London.

Mr. Strauss said he expects the Western economic summit conference in London in May to develop language which will not only support the Tokyo Round negotiations but also comprise a "demand" that progress be made. South dialogue and positive language to come out of the summit, he said.

The U.S., for its part, had already made the necessary political decision to have the negotiations succeed. Stating that agriculture was the major problem area in the negotiations, Mr. Strauss said he believes the European Economic Community is now prepared to get down to annual consultations between Japan and the European Coal

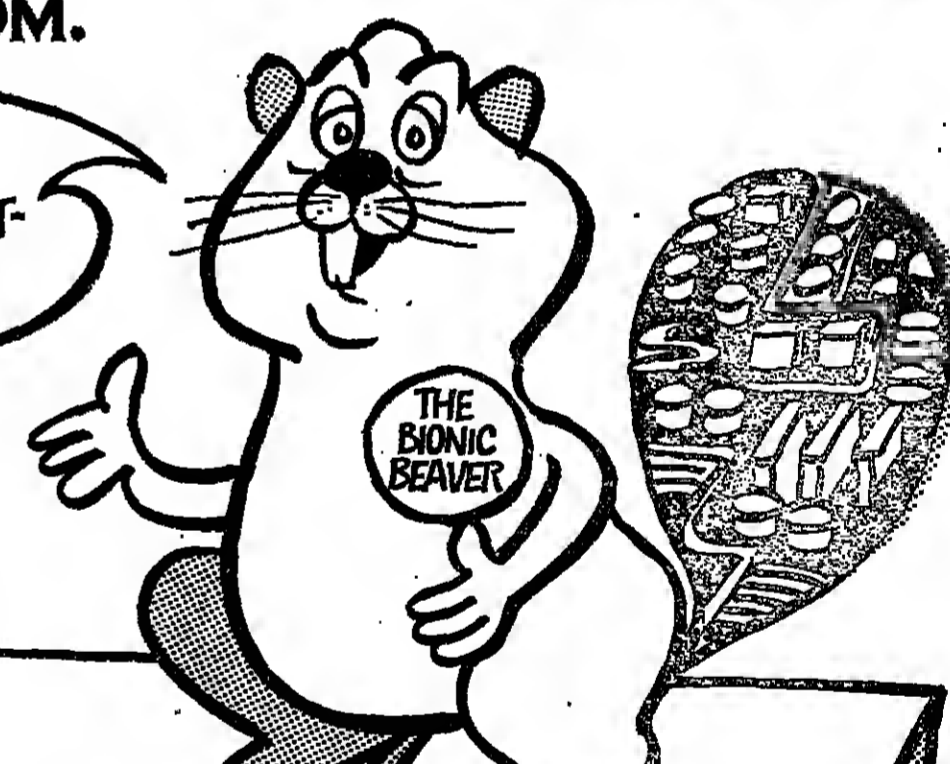
and Steel Community (ECSC) on May 27 and 28 in review steel demand and trade, they said.

Texas order Petrochemical equipment to the value of \$1.7m. is to be supplied by Head Wrightson Texas, a major new ethylene complex at Corpus Christi, Texas. The export order for shell and tube heat exchangers has been placed by Stone and Webster.

Computer contract Kelsit Computer Services, the computer staff company in the BOC Data-Solve Group, has won a contract to operate computers for the European Space Agency (ESA) in Germany, Holland, Italy and France.

1976. THE YEAR OF THE BEAVER. ANOTHER BILLION-DOLLAR, RECORD-BREAKING YEAR FOR NORTHERN TELECOM.

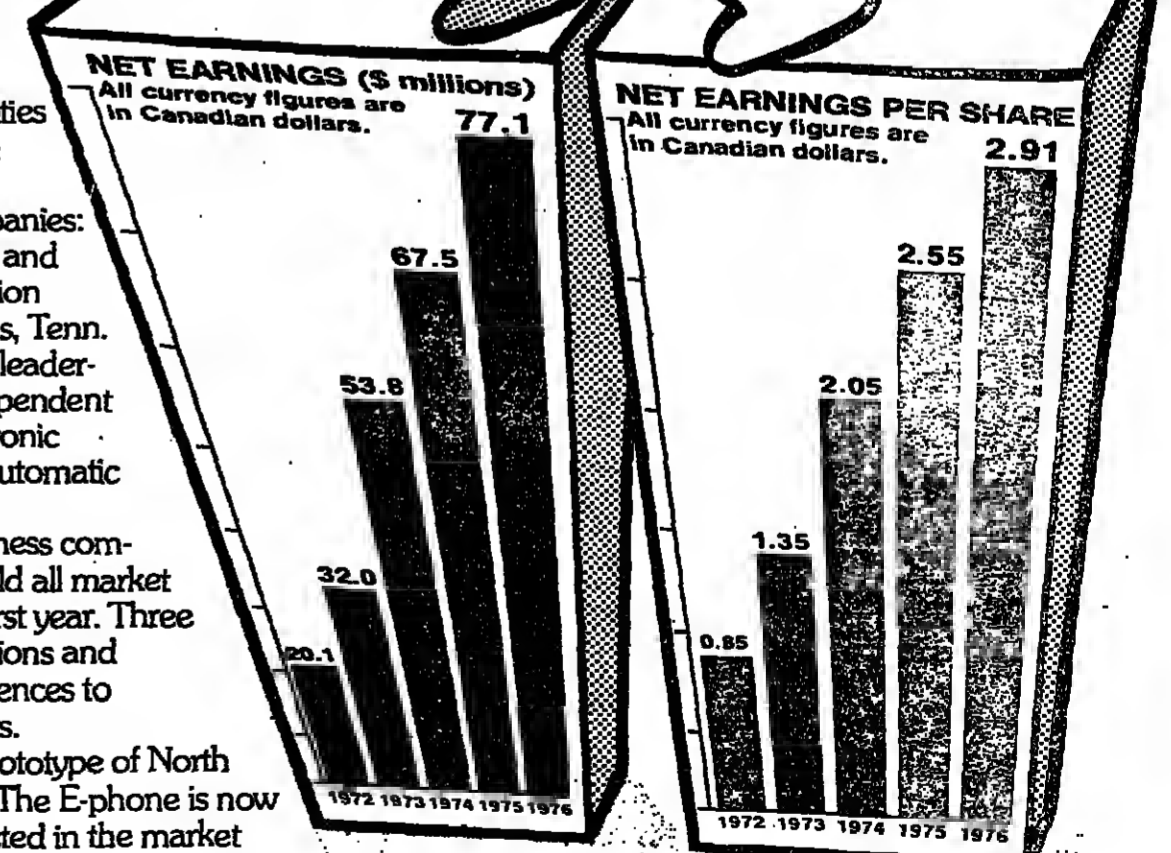
OUR MOST INDUSTRIOUS YEAR YET— BUT WAIT FOR '77!



In a year of lagging world economies, Northern Telecom consolidated its position as the second largest telecommunications manufacturer in North America and marked its fourth successive year of record sales and earnings. It was the end of a five-year period in which sales doubled and earnings almost quadrupled. Consolidated sales in 1976 were \$1.112 billion, an increase of 9.2 percent over 1975's record sales. Consolidated net earnings rose 14.2 percent to \$77.1 million. Earnings per share were \$2.91 compared with \$2.55 in the previous year.

Three new plants were opened, two in Canada and one in the U.S.; facilities were expanded in seven locations in Canada, the U.S. and Turkey. In December we acquired two companies: Cook Electric Company of Chicago and its nine plants, and Telecommunication Systems of America, Inc. of Memphis, Tenn. We maintained undisputed product leadership in Canada and in the U.S. independent telephone company market in electronic central office switching and private automatic branch exchanges. Northern Telecom's new digital business communications system, the SL-1, outsold all market projections in North America in its first year. Three of Europe's leading telecommunications and electronics organizations received licences to manufacture it in their home markets. In May we unveiled a working lab prototype of North America's first electronic telephone. The E-phone is now undergoing field testing and is expected in the market in early 1978.

Also in May, we became the first company in the world to announce a full line of digital switching and transmission equipment to be available between 1977 and 1980. These are but some of the highlights of another successful year. Why not learn about them all? For a copy of our annual report, write: Roy T. Cottier, vice-president, corporate relations, Northern Telecom Limited, P.O. Box 6123, Station A, Montreal, Quebec H3C 3J5.



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More foreign currency used by British

By Michael Blanden

A FURTHER substantial rise in the proportion of U.K. exports being invoiced in foreign currencies is shown by the latest analysis published by the Department of Trade.

The figures show that the proportion of exports in terms of value, invoiced in foreign currency had risen to 27 per cent in the period October-November 1976. This compared with only 20 per cent six months previously.

The figures, taken from a sample of commercial invoices relating to U.K. export shipments, provides a clear indication of the growing tendency for exporters to protect themselves against fluctuations in the value of sterling by setting prices in other currencies.

They also indicate, however, that a substantial majority of 73 per cent of exports were still being invoiced in sterling in a period when the value of the pound has fallen sharply.

Nationwide Building Society

Announces that the following interest rates will apply to their investment accounts from 1 May 1977

| | Net | Gross Equivalent at the 3% rate of income tax |
|---|-------|---|
| Ordinary Share Accounts (£1-£15,000*) | 7.00% | 10.77% |
| Subscription Share Accounts | 7.50% | 11.54% |
| Capital Bonds (New Issue from 1 May 1977) | | |
| 2 Year Capital Bonds (£500-£15,000*) | 7.50% | 11.54% |
| 1½ above Ordinary Share Account rate | | |
| 3 Year Capital Bonds (£500-£15,000*) | 8.00% | 12.31% |
| 1½ above Ordinary Share Account rate | | |
| 4 Year Capital Bonds (£500-£15,000*) | 8.00% | 12.31% |
| 1½ above Ordinary Share Account rate | | |
| Deposit Accounts | 6.75% | 10.38% |

The rate of interest on all existing Capital Bond Accounts and on all other investment accounts on which composite rate tax is paid by the Society (except fixed interest accounts) will be decreased by 0.60%.

(*Up to £30,000 in joint accounts)

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TODAY'S LEADERS IN TOMORROW'S TECHNOLOGIES

nt northern telecom

NORTHERN TELECOM LIMITED MONTREAL, QUEBEC

Prior to March 1, 1976, Northern Telecom Limited was known as Northern Electric Company Limited.

HOME NEWS

Coal Board profit on year tops £20m.

BY ROY HODSON THE National Coal Board is understood to have made a net profit of more than £20m on all its operations in the financial year 1976-77.

A rise in coal prices of 15 per cent at the start of the year coupled with a drive to reduce costs throughout the mines, the opencast sites, and the associated chemicals and smokeless fuel centres, enabled the Coal Board to make an operating profit in the region of £100m.

Nearly £400m will be spent developing the Selby colliery, Yorkshire, and other collieries in the year 1977-78.



Sir Derek Ezra: "paying the price."

The Coal Board expects to be increasingly squeezed financially from now on as it implements the £400m-a-year development programme which is designed to increase coal capacity in Britain to 170m. tonnes a year by the year 2000.

Production has been improving in the pits in recent weeks, it fell throughout last year to give an average for the year of 43.6 tonnes for each man-shift.

Decision soon on State aid for co-operatives

BY JOHN ELLIOTT, MANAGEMENT EDITOR, IN LOUGHBOROUGH

MINISTERS WILL soon decide whether to give State financial aid to a proposed workers' cooperative at the former Courtauld's factory in Skelmersdale, which was closed last year.

They will be taking the decision when the Department of Industry and Employment is showing a cautious but growing interest in the development of worker co-operatives.

This interest is about to lead to £250,000 of Government money being promised to an organisation called Industrial Common Ownership Finance in addition to £1.3m. allocated for the Manpower Services Commission to spend on cooperative work projects.

Mr. Bob Cryer, Parliamentary Under-Secretary for Industry, said: "Industrial co-operatives embody the notion that the sole motivation of people is greed and financial gain."

It is against this background of Government interest, tinged with concern that it should not back losers, that Mr. Eric Varley, Secretary for Industry, will decide the future of the Skelmersdale textile workers' plant. He is about to receive the report of an official feasibility study which has looked into the potential of a possible group of co-operatives in the area.

An indication of interest among both large and small suppliers and customers has been obtained by backers of the plan. Yesterday's Department of Industry conference was attended by 150 people from interests ranging from established and would-be co-operatives to Woodworth borough council, which wants to sponsor co-operatives, and the Friends of the Earth, which is concerned about the environmental aspects of what co-operatives may do.

Industry officials in the summer on how a Co-operative Development Agency could be set up to act as a central advisory and promotional body. Part of the urgency of the Government's interest stems from concern about unemployment. This has led Ministers to allocate 1 per cent (£1.3m.) of their job creation programme to the workshop projects. So far 60 such projects have been approved. Of these 15 aim to become permanent self-financing enterprises.

Among such projects £80,000 has been allocated to provide 23 jobs in a business called Inter-graded Music Producing Polyphonic Synthesizers. A Bolton furniture recycling co-operative has £30,000 for 14 jobs. A South London woodworking co-operative has received £13,000.

One of the risks is that such ventures might collapse when the job creation money is spent. Yesterday Ministers were pressed to change their policy so that servants would discriminate in favour of co-operatives when choosing candidates for State aid.

The Government will receive a report from Department of Industry officials in the summer on how a Co-operative Development Agency could be set up to act as a central advisory and promotional body.

The remaining £150,000 is being spent over five years by the Government and the movement on general advisory work. The Government will receive a report from Department of Industry officials in the summer on how a Co-operative Development Agency could be set up to act as a central advisory and promotional body.

New micro-computer calculator can be programmed

BY MAX WILKINSON

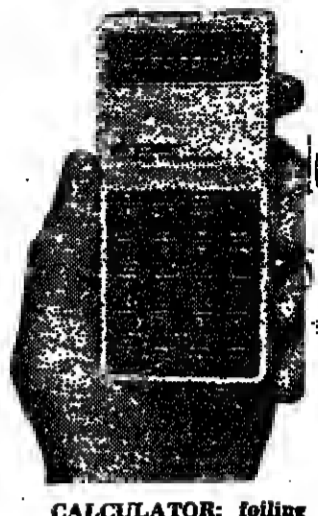
SINCLAIR RADIONICS, the Cambridge calculator company, announced yesterday a micro-computer for the price of a scientific calculator. The Sinclair programmable calculator is being launched a few months after the company announced the World's first pocket television. These are the first new products since the National Enterprise Board made a £850,000 investment in the company in return for two seats on the Board.

The calculator will sell at £15.95 plus VAT, a price claimed to be 75 per cent less than its nearest rival.

Mr. Clive Sinclair, managing director, said yesterday he did not expect competitors to be able to imitate the design quickly because of the complexity of the circuit, which he said the new calculator would be a big export earner with perhaps 60 per cent of production going to the U.S. and 40 per cent to Europe. He hoped for six-figure production by the end of the year.

The Cambridge programmable calculator looks similar to the normal range of ordinary arithmetic and trigonometric sums. In addition it can be given a program of up to 25 steps, which will be retained in its memory.

Sinclair's first target will be scientists and engineers who will be able to make programmes or use those produced. A big demand from school children and university groups would have a punch in on who will be able to afford a programmable machine for the



CALCULATOR: foisting imitations.

offices and shops where some are not capable of operating ordinary calculator to compute, for example, exchange rates discounts. All the steps in the calculator could be pre-programmed to do the job that the operator would have to punch in on a figure and read out the answer.

Technical Page, Page 10

Consumer spending falls except in clothing, fuel and light

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER spending fell sharply in the first three months of the year with cuts in all areas except clothing, fuel and light.

The Central Statistical Office said yesterday that the volume of consumer expenditure in the first quarter was about 2 per cent lower than in the previous three months.

The first preliminary estimate is £37.4bn. — at 1970 prices, seasonally adjusted — around the lowest level touched earlier in the recession, and before the rebound during the upswing in the 1972-73 boom.

liquid assets such as bank deposits after the earlier cut, with the consequent effect on expenditure. But the savings ratio is still likely to have been well below the average level during 1976.

Consumer spending in the first quarter was running at below the level for the first half of 1977 — forecast by the Treasury and in the Budget report at the end of last month.

Indeed, latest figures, in conjunction with the evidence of a slow rate of increase in industrial output, suggest that the economy as a whole will have grown by a small amount at best in the first quarter, and will provide more ammunition for those calling for a further stimulus to the economy.

The fall in consumer spending of 2 per cent, was less than the 3 per cent drop in retail sales between the last two quarters announced on Monday. This reflects the relative stability of important non-retail sales components of consumer spending such as housing, an eighth of the total, which is little over the period. Moreover, the estimate points to a slight rise in expenditure on fuel and light.

probably reflecting the especially cold winter weather. There was a "substantial fall back from the high level" of the previous quarter in expenditure on alcoholic drink, notably wines and spirits, reflecting in part a reaction from the stockpiling ahead of the duty increases at the end of December.

Falls occurred in all areas of retail sales except clothing and footwear.

Fifth of steel 'soon scrap'

AS MUCH as one ton in every five of steel produced in Britain is degraded to scrap in the later stages of manufacturing, Sir Ronald McIntosh, director general of the National Economic Development Office, said yesterday.

Making a strong plea for a "national strategy for materials management", Sir Ronald in a speech to be delivered at an international meeting in Venice to-day, Sir Ronald says that use of materials in manufacturing industry is just as important in energy conservation as the manufacturing process itself.

In Britain the engineering industries buy between 14 and twice as much energy indirectly, as part of the content of materials, as they buy directly for use in their own operations. He cites research done for NEDO, the science policy research unit at Sussex University, and by Professor Pick of the University of Aston, Birmingham.

"Economy in the use of materials is at least as great a potential source of energy saving for these industries as economy in the use of fuel in their own processes," he asserts, arguing that more efficient use of materials would reduce processing costs and the costs of machinery and stocks.

U.K. shipyard prices '20-50% above Japan'

BY ROY ROGERS, SHIPPING CORRESPONDENT

BRITISH shipyards are quoting prices 20-50 per cent higher than their Japanese competitors, according to Sir Lindsay Alexander, chairman of Ocean Transport and Trading, Britain's second largest shipping group.

He stressed in the company's annual report, published to-day, the maintenance of a viable British shipbuilding and marine engineering industry was "very important" for British shipowners.

Supervision of construction was easier and exchange rate risks were avoided when building in home yards. "We would far rather place a high proportion of our orders here—as, historically, we always did."

Significantly he underlined the price differentials between U.K. and foreign—especially Japanese—yards. His company is understood to be in the market for several vessels.

The differentials are too great for Ocean to ignore, although Sir Lindsay held out the possibility of buying British if the recently announced £65m. Government intervention fund was to good effect.

Ocean had never supported principle of shipbuilding subsidies, but if an intervention fund was unavoidable "it would be small in amount, or too narrow administered, to draw needed U.K. orders from world not in extreme need of build. Sir Lindsay bit off at 'moves to cargo preferences' the continued expansion of Russian merchant fleet to still late shipbuilding demand was submitted to the Government by Strathclyde Regional Council which is seriously concerned about the threat of impending large-scale redundancies several Clyde shipyards.

The Government's economic and industrial development committee will be asked to approve a poll document from its shipbuilding working group, which has been liaising with yard management and trades unions on the industry's future. The document for Ocean to ignore, although Sir Lindsay held out the possibility of buying British if the recently announced £65m. Government intervention fund was to good effect.

of the British Ports Association. Mr. Pace spent 26 years in the Iraq Petroleum Company since 1972, is to take over as part-time chairman of the National Ports Council when Mr. Phillips Chappell gives up the post in June. Before entering the ports industry — he is deputy chairman

New ports council chief

BY OUR SHIPPING CORRESPONDENT

MR. JOHN PAGE, chairman of the Mersey Docks and Harbour Company since 1972, is to take over as part-time chairman of the National Ports Council when Mr. Phillips Chappell gives up the post in June.

Before entering the ports industry — he is deputy chairman of the Mersey Docks and Harbour Company since 1972, is to take over as part-time chairman of the National Ports Council when Mr. Phillips Chappell gives up the post in June.

Mr. Chappell, a director of Morgan Grenfell and Co., has been chairman of the ports since 1972, and was invited by the Government to develop, with the port authorities, a programme for improving the management and financial performance of the industry.

The Department of Transport said yesterday that "significant progress" had been made on programme and that the appointment of Mr. Pace indicated importance the Government attached to active collaboration between the council and the industry.

The chief executive of Daiwa Sports is Mr. A. E. McCann, who formerly headed Gramplan Holdings' sports division, while Gramplan's own chief executive, Mr. Bill Hughes, is the new company's chairman.

Japanese joint venture

DAIWA SEIKO, a leading Japanese fishing tackle manufacturers, has formed a joint venture with Gramplan Holdings of Glasgow to establish a £500,000 factory in central Scotland to produce fishing equipment for the U.K. and European markets.

A new company, Daiwa Sports, has been set up with 50-50 ownership and will be taking over a 200,000 square foot factory at Wishaw, which will initially employ 80 people, a number expected to treble over the first three years.

The CBI's official stance has remained one of arguing that control should be worked backwards from the need to reduce inflation to the level Britain's international competitors. This implies a rise in the rate of inflation of more than 6 per cent in the "drift".

ENTERTAINMENT GUIDE

OPERA & BALLET: COVENT GARDEN: 01-235 3161. ROYAL OPERA HOUSE: 01-240 2539. BALLET: THE SEVEN SWANS: 01-235 3161. THEATRES: ALDWYCH: 01-436 5332. THEATRE: ALDWYCH: 01-436 5332. THEATRE: ALDWYCH: 01-436 5332.

APPOINTMENTS

Marketing Director. IMPENDING retirement gives rise to this appointment. The company has an enviable reputation for the technical excellence of its formed metal components supplied to a wide range of OEMs in world markets.

'What we can afford' pay plan

BY ARIAN HAMILTON

AN INDEPENDENT tribunal including representatives of the Confederation of British Industry and the TUC, should be established to settle more impartially what the nation can afford to pay each year in wages, Lord Watkinson said yesterday.

Indicating the confederation's views on long-term reform of wage determination in the country, Lord Watkinson said that such a development would be part of a move to get away from pay control as such.

"Once what the nation can afford is established, and hopefully made part of the Budget and thus debated in Parliament, it will be left to employers and employees to settle their own pay problems in their own way."

This would mean the Government, where it is the ultimate employer in the public sector, applying cash limits that would ensure settlement within what the nation could afford.

The essential problem for the CBI in writing the document is to find some balance between industry's desires to return to

more flexible pay bargaining systems and the fear of many companies that a return to totally free collective bargaining would open the way to a new pay explosion which companies could not resist.

الجمعة 15 رجب 1350

HOME NEWS

London Bank of Cyprus closed by pay dispute

By MICHAEL BLANDEN

UNOFFICIAL industrial action by staff has forced the Bank of Cyprus (London) to close its doors since Monday.

The bank, which serves the Cypriot community in the U.K., is authorised under the Exchange Control Acts and recognised as an authorised bank by the U.K. authorities, and has the backing of the central bank of Cyprus.

The strike has paralysed the bank's operations in London, an authorised bank being unable for the time being to open its doors.

The problem has arisen because the bank's staff, members of the National Union of Bank Employees, insist on the 2 1/2 per cent award received by bank staff in the summer of 1975. At that time, Bank of Cyprus was in the process of reconstruction under the heavy provisions required on loans made in the period 1973-74, and fell unable to match this award.

Mr. C. G. Kourkopoulos, financial director, said yesterday that the bank now felt that an award to the staff which had been justified and possible but the bank had been restrained by the pay policy over the past two years.

This view has been supported by NUBES, and an approach has been made to the Advisory, Conciliation and Arbitration Service under the rules which permit awards outside the normal restraints in order to catch up with general levels in the industry. But, meanwhile, the staff has taken action in support of a claim for an across the board 2 1/2 per cent cost of living award. It is understood that last night NUBES initiated a vote trying to sort out the situation.

Meriden to gain its independence

By PETER CARTWRIGHT, MIDLANDS STAFF

MERIDEN Motorcycle Co-operative is expected to gain its independence on Monday with the signing of documents separating it from Norton.

The company was made responsible for marketing the machines under the Government's new 500 cc. rescue scheme two years ago.

More recently, Parliament granted Meriden another £10 million to buy Norton's marketing and other interests in America and elsewhere. It has taken five months to complete legal documentation.

This week the Meriden workers will get a 2 1/2 per cent increase in their wage packet to £58.50 a week.

A London committee has been set up to investigate the possibility of instituting a loan-scheme to give them extra money. Average wages in the area are about £40 and with no provisions for promotion, it is thought Norton will be looking for workers.

Cement makers planning year's second price rise

By MICHAEL CASSELL, BUILDING CORRESPONDENT

CEMENT manufacturers are planning to raise prices again, for the second time this year, at the beginning of May.

The Cement Makers' Federation said yesterday that it had notified the Price Commission of its intention to increase prices again, but added that the size of the increase had not yet been decided.

It could not be decided on size, because prices would rise by between 10 per cent and 15 per cent, although it seems clear that the increase will be larger than the 15 per cent rise announced at the end of January.

The new price rise was shadowed by the manufacturers at the time of the last increase, further price increases in the pipeline, another recent figure.

Head of Scots' economic research team dismissed

By RAY PERMAN, SCOTTISH CORRESPONDENT

THE MAN responsible for a major part of the work on a controversial new study of the Scottish economy has been dismissed only a short time before his findings are due to be published.

Mr. John Evans, director of the Scottish Council for Research in Industry, received a letter on March 10 giving him three months' notice. It was signed by Mr. Douglas Macdonald, chairman of the institute, and said that because of financial pressure, further development work would take place and Mr. Evans was therefore being made redundant.

Mr. Evans was working on an input-output model of the Scottish economy, which the council has been preparing jointly with the Fraser of Allendale Institute at Strathclyde University and IBM.

Other members of the council's research staff, however, have not been made redundant. The council denied yesterday that the model's findings and Mr. Evans' sympathy for the Scottish National Party were contributory causes of his dismissal.

Mr. John Boyle, external relations director of the council, said: "Mr. Evans, having completed his part of the project, was made redundant not because of any political views but because of financial pressure."

While the council is concerned to maintain its political neutrality, it clearly cannot impose restrictions on the views privately held by its staff and this would not be taken as ground for dismissal.

Mr. Evans would not comment on his dismissal.

The model promises to give a wealth of new information about Scotland, and there has been speculation in the papers in Scotland about what it might reveal.

Mr. Boyle added that the council was not concerned about its reputation for impartiality, but it was worried that the model's findings might be drawn from incomplete data.

Ennals outlines views on extra £21m. for health

By STUART ALEXANDER

A CIRCULAR is to be sent to health and local authorities in the next week by Mr. David Ennals, Secretary of State at the Department of Health and Social Security on the extra £21m. to be made available in 1977-78 for jointly financed projects.

In a speech in Exeter today he is likely to emphasise the need for co-operation in such projects, particularly where they will benefit the elderly or the mentally handicapped.

Although agreement is necessary between local and health authorities on the projects which are to be supported, Mr. Ennals hopes that a relaxation of the 60 per cent limit on the capital cost or contribution will encourage projects with these priorities.

Although five years will be kept as the normal period of revenue support there are to be provisions after the first three years for a review which could lead to an extension of one or two years. The DHSS also hopes that sales of NHS land will come a more important feature of joint financing.

Mr. Ennals also hopes that the development of health centres will not be ignored by local authorities as suitable schemes for joint financing, as well as other primary care units.

Proposals to allow unemployment benefit to be paid fortnightly instead of weekly as at present have been put before the National Insurance Advisory Committee by Mr. David Ennals, Secretary of State for Social Services.

The proposals are designed to reduce projected stall and administrative costs in line with the general Government policy of saving the department. The proposals are planned to come into effect on July 4 this year, when a pilot scheme would be piloted in revenue support there are to be provisions after the first three years for a review which could lead to an extension of one or two years. The DHSS also hopes that sales of NHS land will come a more important feature of joint financing.

Comments on Finance Bill sought

By MICHAEL LAFFERTY, CITY STAFF

THE Government is again asked, as usual as possible, and invited interested parties to submit in any case not later than May 10, comments on the technical and practical provisions of the Finance Bill with which the Treasury, Finance Ministers, and other members of the Treasury Chambers, Parliament are particularly concerned.

Comments should be submitted to the Secretary of the Treasury, SWIP 3AG.

Taking stock of the City... sixth formers with an eye for a likely share



Top of the Class at 77... Trying out their bowlers (and a fringe benefit) for size are these six boys from Linnagh Primary Secondary School, Lisburn, Northern Ireland, who arrived in London yesterday for a two-day visit, part of their prize for winning this year's Stockpiller investment game for sixth-formers.

They are aged between 17 and 18, and are (left to right) Keith Uprichart, Steven Reid (syndicate leader), Harold Smith, David McQuaid, Darrell Mawhinney and Richard Long.

The Stockpiller game is run by British Junior Chambers and sponsored by Williams and Glyn's Bank.

Group Gold Mining Companies Transvaal

Reports of the directors for the quarter ended 31st March 1977

Vaal Reefs Exploration & Mining Company Limited

ISSUED CAPITAL: 15 000 000 shares of 50 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1977
Tonnage 7 000 000 Grade 0.6 grams per ton

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|-----------|-------------------------|-----------|----------------------|-----------|
| Gold | 1 740 000 | 1 738 000 | 6 572 000 | 1 738 000 | 6 572 000 |
| Uranium oxide | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Revenue per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Cost per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Profit per ton milled | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 6 000 000 shares of 35 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1977
Tonnage 7 000 000 Grade 0.6 grams per ton

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|-----------|-------------------------|-----------|----------------------|-----------|
| Gold | 1 740 000 | 1 738 000 | 6 572 000 | 1 738 000 | 6 572 000 |
| Uranium oxide | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Revenue per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Cost per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Profit per ton milled | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

Western Deep Levels Limited

ISSUED CAPITAL: 25 000 000 shares of 50 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1977
Tonnage 1 500 000 Grade 15.0 grams per ton

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|-----------|-------------------------|-----------|----------------------|-----------|
| Gold | 1 740 000 | 1 738 000 | 6 572 000 | 1 738 000 | 6 572 000 |
| Uranium oxide | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Revenue per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Cost per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Profit per ton milled | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

ADVANCED PROSPECTING EXPENDITURE

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|--------|-------------------------|--------|----------------------|--------|
| Advanced prospecting | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Development | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Capital expenditure | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 50 322 825 shares of 20 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1977
Tonnage 2 275 000 Grade 0.6 grams per ton

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|-----------|-------------------------|-----------|----------------------|-----------|
| Gold | 1 740 000 | 1 738 000 | 6 572 000 | 1 738 000 | 6 572 000 |
| Uranium oxide | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Revenue per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Cost per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Profit per ton milled | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

Vaal Reefs SOUTH

ADVANCED PROSPECTING EXPENDITURE

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|--------|-------------------------|--------|----------------------|--------|
| Advanced prospecting | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Development | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Capital expenditure | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

Southwaal Holdings Limited

The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

Development values represent actual results of sampling, no allowance having been made for adjustments necessary in estimating ore reserves.

The Orange Free State Group's results appear on another page in this paper.

Copies of these reports will be available on request from the offices of the trustee secretaries:

Charter Consultants Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 5EQ

East Daggafontein Mines Limited

ISSUED CAPITAL: 3 750 000 shares of R1 each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1977
Tonnage 2 275 000 Grade 0.6 grams per ton

| Quarter ended Mar. 1977 | | Quarter ended Dec. 1976 | | Year ended Dec. 1976 | |
|-------------------------|-----------|-------------------------|-----------|----------------------|-----------|
| Gold | 1 740 000 | 1 738 000 | 6 572 000 | 1 738 000 | 6 572 000 |
| Uranium oxide | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Revenue per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Cost per ton milled | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Profit per ton milled | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Finance charges | 15 438 | 16 844 | 60 004 | 15 438 | 60 004 |
| Net profit | 0 | 0 | 0 | 0 | 0 |

Technical Page

ENERGY Reducing diesel fuel costs

normally has to be discharged as sludge (with the risk of high fines for pollution). Price for the unit, which can be included in new construction or retrofitted, is £3,750, including tool kit and basic spares—installation cost is likely to be around £7,000. The device is capable of processing oil at rates from 1 gallon to 4 tons/hr., and is suitable for engines developing 2,000 to 30,000 hp.

Savings to fuel cost quoted by Vickers are £7,500 p.a. for a 2,500 bhp engine capable of burning 3500 sec. oil, and £60,000 p.a. for a 20,000 bhp engine.

Prototypes have been under intensive land and sea trials, with the help of Doxford, BP Tankers and the Bank Line, and the figures above are based on this experience, which totals some 50,000 running hours.

The initial impression is that this device should have a major impact on the shipping industry, but as Vickers says, the major stumbling block is likely to be the industry's stubborn resistance to change.

Indeed, when the homogeniser was presented on Wednesday an audience representing Government, shipowners and operators, and marine engine builders, as well as fuel oil suppliers, the reception of the idea was "interested, but not exactly enthusiastic."

But a BP representative said: "I cannot understand why everyone here is not queuing up to buy one of these things."

CALCULATORS Has a long memory

BY EMPLOYING a microcomputer to drive its new scientific calculator announced yesterday, and give it computer-like capabilities of remembering series of instructions up in 36 steps, Sinclair Radionics may have stolen something of a march on its many competitors.

The microcomputer has the company's own read-only memory and while it is a National Semiconductor device, it is not available for purchase by anyone else. The Sinclair claim is that it has been able to squeeze all the functions of its new machine into a single large-scale integrated circuit and contain all the connectors and the internal and battery in the well-known Sinclair "pocket" case which is still the smallest on the market comparable with the size of the human fingertip.

At just over £17 with VAT, it is not only well within the scope of the engineer and the scientific worker for which it is primarily intended but also the growing number of students who are taking to programmed working like ducks to water.

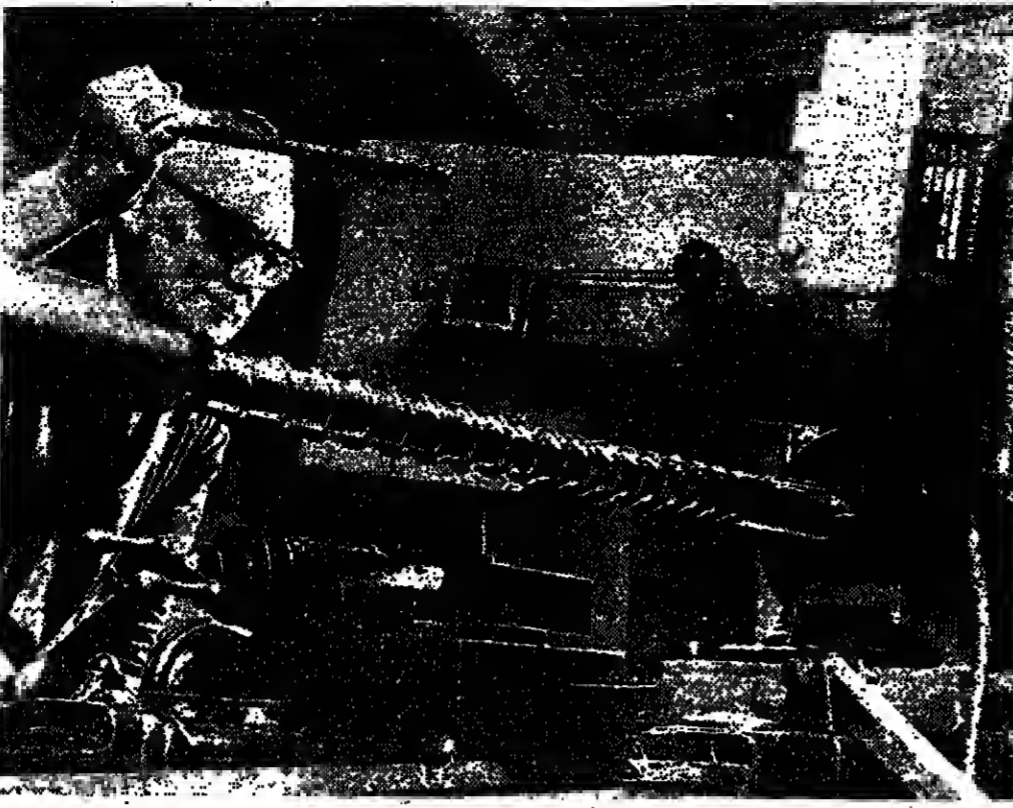
Another application for which more expensive conversion calculators have been available hitherto is one in which monetary or measurement conversions can be keyed in by someone familiar with calculator operation, leaving other staff to feed in the actual values as often as needed, without disturbing the basic sequence of operations.

Sinclair claims a 75 per cent price advantage over machines of comparable power and anticipates demand enough to compensate for the year it has taken to compress all the machine's capabilities into a single chip. The company does not expect to see the competition vie with it for at least a year and then in a much larger presentation with probably two chips instead of one.

Brookes has developed a range of alloys for hard facing these components. Called Brux, the alloys contain cobalt, nickel, chromium, and boron, plus various additives.

The bimetallic screws are produced in diameters from 25 to 90 mm, with maximum flight lengths up to 1,800 mm. They are coated over the entire helix surface—fluted, land and root diameter—to a minimum depth of 0.25 mm. This alloy is Brinell 900, with a hardness between

METALWORKING



One of the new bimetallic screws developed by Brookes (Oldbury) undergoing a finishing process.

Screw lasts ten times as long

A BIMETALLIC screw for injection moulding machines which lasts ten times longer than could be expected from a nitrided screw, has been developed by Brookes (Oldbury), a company in the TI machine division.

The screw has even exceeded its predicted life. At British Industrial Plastics moulding screw has completed a three-year monitored production run on a Bipep 300/SS (175 grammes) injection moulding machine. For the whole of this time it was processing highly abrasive glass-filled nylon (GFN). Predicted production life was 60 tonnes, but the screw processed 210 tonnes before the forward screw flight was eroded to failure.

Screws, ring valves and cylinder barrels in injection moulding machines processing GFN, polycarbonate and other abrasive plastics, experienced considerable wear, particularly on the final screw flights and the valve seating faces.

Brookes has developed a range of alloys for hard facing these components. Called Brux, the alloys contain cobalt, nickel, chromium, and boron, plus various additives. The bimetallic screws are produced in diameters from 25 to 90 mm, with maximum flight lengths up to 1,800 mm. They are coated over the entire helix surface—fluted, land and root diameter—to a minimum depth of 0.25 mm. This alloy is Brinell 900, with a hardness between

COMPUTERS

A powerful portable

EARLY next week Wang Electronics will be introducing a portable personal computer which is a true computer in a complex installation, say, in a control room, in a production plant, or in a laboratory. It also has a full-size keyboard and display electric typewriter.

One source of its power is the compact disc unit, a fast central processor developed for it—an earlier for its 2200 microcomputers and machine in almost the same number of peripherals.

Wang Electronics, Argyle Street, Northwood, Middlesex HA6 1LN, is unique in portables since it

Searle drive starts with new designs

AIR-COOLED condensers with heat rejection ratings from 22,500 to 555,000 kcal/h by Searle Manufacturing Company are of the fully weatherproof, packaged type.

Designed for external siting, the new condensers are suitable for use with Refrigerants R12, R22 and R502. All can be installed horizontally or vertically, being fitted with lifting eyes for safe slinging and utmost manoeuvrability.

Eight models within three frame sizes provide progressive steps of capacities, based on four, six- and eight-fan units employing 760 mm (30-inch) diameter four-bladed fans of the propeller type. A choice of motors is offered—2-pole running at 900 rpm or, where extra quiet operations is desired, 4-pole running at 700 rpm. Both motors are of the squirrel cage type, suitable for 200/250 or 380/420 V, three-phase 50 Hz electricity supplies.

Since becoming part of the Prestnold Group 11 months ago, capital expenditure of £1m, has been authorised at Searle. This had already resulted in re-equipping part of the plant with the modern machine tools, including a Trumpf numerically controlled centre for sheet metal fabrication and additional large power presses and tube cutters, for heat exchangers.

Searle Manufacturing, Newcastle Lane, Fareham PO14 1AR, Hants. Fareham GU22 6JL.

MARKETING Industrial products search

A GROUP of Ontario business men seeking British engineering, industrial and computer products, for manufacture in Canada under licence or through joint ventures

KOVO BEARINGS
quality delivered on time

SECURITY Warns of an intruder

REPLACING conventional electromechanical equipment is wholly electronic unit to prevent and warn of burglary attempt on the market by Buil Electronics.

Designed for houses in £10,000 to £30,000 price range the alarm meets the need for a reliable security system. It is operated with a stand battery and is internally fused on the ac line. The active components of a circuit are entirely solid-state including the alarm siren, a 1-watt speaker, a siren, a piezoelectric device. Due to low current consumption approximately 3 milliamps in the de-activated state and not in excess of 100 mA in the active state—the system requires minimal replacement of batteries. Installation and maintenance involves no soldering, the elimination of faults through resistance joints and giving considerable savings in time and cost. The complete alarm control circuit is readily accessible and may be dismantled and replaced if necessary in five minutes with the use of only a screwdriver.

Bunch Electronics, 186 Soa Street, London SW11 0LZ.

THE BRITISH ENGINEERS

WHEN THE AIM IS GREATER PRODUCTION

Nearly everywhere you look in manufacturing industry, BE Group machines, equipment and know-how are helping to cut production costs. From rivets and rivet netting machines to parts feeding and assembly machines, net weighing and weight/count systems and many other automatic processes, BE Group members are specialists in creative engineering, design and manufacture. Shouldn't you know more about it?

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Tel: Mansfield (0206) 5811. Telex: 83210.

INTERNATIONAL APPOINTMENTS

Prof Personnel Counseling Ltd

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MANAGER FOR INTERNATIONAL TURKEY PROJECTS

Important Swiss engineering and financing group seeks a project manager for its growing international turkey business. The group's main projects are in the fields of energy/electrical generation, transmission and distribution, industry and civil construction.

This is a new and senior position. The post requires a person with a technically broad and sound knowledge in electrical power generation (preferably thermal) and electrical power transmission and distribution.

Experience in managing major projects and in international turkey contracting is required. A business-minded approach and the ability to take responsibility for negotiation with clients, sub-contractors and consortium partners starting from the acquisition stage are desirable qualities.

Applicants, preferably aged 35-45 years and having at least 10 years professional experience should hold an engineering degree or equivalent. Fluency in English is necessary; French or Spanish would be assets.

The successful candidate will be based in Geneva, Switzerland, but will also be required to travel to developing countries as an important part of the work. Remuneration is fully open to discussion.

Please send comprehensive career and personal details to Mr. P.-R. Meyer, Manager, PROFIL Geneva, or to Mr. W. Rubin, Manager, PROFIL Zurich. Applications will be treated in strict confidence and will be forwarded only with your express agreement, after a personal interview.

PROFIL Personnel Counseling Ltd.
CH-1201 Geneva
7, rue du Mont-Bianc
Phone 022/32 03 80—Telex 28 484

PROFIL Personnel Counseling Ltd.
CH-8001 Zurich
Renweg 23
Phone 01/27 58 51/52—Telex 54 430

In collaboration with Prognos Ltd., Management Consultants Department.

Prof Personnel Counseling Ltd

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Prof Conseils en personnel SA

BUSINESS MANAGER ACQUISITION OF INTERNATIONAL ENGINEERING PROJECTS

Important Swiss engineering and financing group seeks a Business Manager for its growing international business in developing countries. This is a new position.

The post requires a person experienced in the acquisition of study and construction contracts in assigned geographical areas (Africa, Latin America and/or the Middle East).

This involves identifying major projects, negotiating with governmental authorities, consortium partners and/or sub-contractors, and the subsequent orchestration of the technical, financial and contractual elements required for presenting project development proposals to clients. Swiss clients are primarily government institutions in the Third World.

A record of past achievements in major projects is required. The ability to operate independently and to cultivate client relationships at the level of governments and private industry is desirable. Applicants, preferably aged 35-45 years and having at least 10 years' professional experience, should hold a university degree in engineering, economics, law or equivalent. Fluency in English is necessary; French or Spanish would be assets.

The successful candidate will be based in Geneva, Switzerland, but will also be required to travel abroad. Remuneration is fully open to discussion.

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DIRECTOR OF MARITIME AFFAIRS

Applicants must have a minimum of 10 years' experience in shipping, with at least 5 years as a Senior Executive in a shipping company.

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Full responsibility for the commercial and technical management of a fleet of over 50 ships and the control of offices worldwide. Advising the President and Board of Directors of shipping and related projects.

Member of a small team of Executives working on numerous projects where your general business experience will be appreciated.

Base will be Geneva, however, extensive travel will be required.

Please send your application to:
The Personnel Manager
Inter Maritime Management S.A.
5, Quai du Mont-Bianc
1201 Geneva, Switzerland

CORPORATE FINANCE

The Merchant Banking Subsidiary of a large International Banking Group is expanding its Corporate Finance Division and therefore seeks an additional member of staff.

Candidates ideally will have an accounting or legal qualification and at least 3 years' post qualification experience in the field of investigations, mergers, acquisitions and capital issues.

A generous salary and fringe benefits are offered, including a Non-Contributory Pension Scheme.

Please submit curriculum vitae together with details of present salary to:

The Personnel Manager,
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Conversant with international stockmarkets, particularly USA and Japan, required to join small active team with leading international stockbrokers. Candidates should be able to write short precise synopses. Excellent prospects for the right person. Salary negotiable and non-contributory pension scheme.

Please write, giving age and full details of experience, to date, to:

Box 15807, Financial Times
11 Cannon Street, EC4P 4BY.

COMPANY NOTICES

THE ROYAL BANK OF CANADA
DIVIDEND NOTICE

Notice is hereby given that a dividend of 50.00% on the 1976 interim dividend of this bank has been declared for the period ending 31st March 1977. The dividend is payable to all holders of the bank's shares on 25th April 1977 at the close of business 2.00 p.m. on that day.

By Order of the Board,
C. H. LINDEN, Secretary.

71-73 Victoria Street, Wolverhampton.

PROGRESSIVE
engineering company founded in 1947 and incorporated in 1958 concerned in the manufacture of custom built fabrications, such as plant and equipment used in the oil, chemical and food industries. Undertakes complete contracts or co-operation on job work. Projects, first class staff. Situated 15 miles from London, North West Kent. Write Box 17447, Financial Times, 10, Cannon Street, EC4P 4BY.

THEATRES (Cont)

ROYAL COURT, Covent Garden, 730 1745. Evening: 8.00. Saturday: 8.00. Sunday: 2.30. Curtain at 8.00.

CINEMAS

STUDIO 1, Oxford Circus, 439 5300. 12.30, 2.30, 4.30, 6.30, 8.30. 11.30. Screen: "THE CUBAN CONNECTION".

ALHAMBRA, Tottenham Court Road, 482 1300. 12.30, 2.30, 4.30, 6.30, 8.30, 10.30. Screen: "THE CUBAN CONNECTION".

AMERICALA, Tottenham Court Road, 482 1300. 12.30, 2.30, 4.30, 6.30, 8.30, 10.30. Screen: "THE CUBAN CONNECTION".

ARCADE, Tottenham Court Road, 482 1300. 12.30, 2.30, 4.30, 6.30, 8.30, 10.30. Screen: "THE CUBAN CONNECTION".

BANANA RIDGE, Tottenham Court Road, 482 1300. 12.30, 2.30, 4.30, 6.30, 8.30, 10.30. Screen: "THE CUBAN CONNECTION".

ART GALLERIES

GILBERT PAIR GALLERY, 285 King's Road, Chelsea S.W.1. MICHAEL SCOTT. Sculpture. BERNARD STERN. Paintings. Until May 7. Mon-Fri 10-6. Sat 10-5. Sun 12-5.

AGNEW GALLERY, 25 Old Bond St., W.1. 11.30-8.30. Exhibition: "BERNARD STERN". 20th Century Painting, 19th and 20th Century.

MALDEN GALLERY, 6 Albemarle St., W.1. London exhibition until April 22. Mon-Fri 10-6. Sat 10-5. Sun 12-5.

EARLY ENGLISH WATERCOLOURS, 180, Earl's Court Road, W.8. 20th Century Exhibition until May 7. Mon-Fri 10-6. Sat 10-5. Sun 12-5.

REDFERN GALLERY, 14, Abchurch Lane, EC4A 3DF. Until May 7. Mon-Fri 10-6. Sat 10-5. Sun 12-5.

THACKRAY GALLERY, 18, Thackeray Place, Covent Garden. W.1. Until May 7. Mon-Fri 10-6. Sat 10-5. Sun 12-5.

CLUBS

EVERETT, 191, Piccadilly, W.1. 11.30-1.30. 8.30-11.30. Screen: "THE CUBAN CONNECTION".

GARGOYLE, 69, Great Street, London W.1. 11.30-1.30. 8.30-11.30. Screen: "THE CUBAN CONNECTION".

LEGAL NOTICES

In the High Court of Justice (Chancery Division) the Matter of WREXHAM HULLERS (LIMITED) and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that the Petition for the Winding-up of the above-named Company by the High Court at London was on the 30th day of April 1977, presented to the Court by the Liquidators of the said Company, Messrs. GARGOYLE & COY., Limited, who have been appointed Liquidators of the said Company by the Court on the 11th day of May 1977, and that the said Petition is directed to be heard by the Court at 11.30 a.m. on the 12th day of May 1977, at which time the said Company may be wound up or the Court may make an order for the management of the said Company by a receiver, and that the said Petition is directed to be heard by the Court on the 12th day of May 1977, at which time the said Company may be wound up or the Court may make an order for the management of the said Company by a receiver, and that the said Petition is directed to be heard by the Court on the 12th day of May 1977, at which time the said Company may be wound up or the Court may make an order for the management of the said Company by a receiver.

TURNER PEACOCK,
Solicitors,
Newman Buildings,
Gray's Inn,
London, WC1R 5EJ.
Tel: 01-445 700.
London Agents for:
SHEDDEN & WOOD,
16, Bloomsbury Way,
London, WC1A 2RQ.

HOME NEWS

Surgeons attack 'wasteful' NHS

The National Health Service... The Royal College of Surgeons has told the Royal Commission on the Service...

Lord Home heads private discussions of more than 100 Western leaders

BY JAMES McDONALD... WE WILL be saying thanks in private that we would care to say in public...

Lord Home heads private discussions of more than 100 Western leaders

BY JAMES McDONALD... to resign from the chairmanship over the Lockheed payments affair...

Secretary of State designate for Economic Affairs, Mr. Thierry de Montbrial, professor at the Polytechnical School and head of the Analytical Centre at the French Foreign Office.

Although the meetings are private, said there are no permanent members - apart from the 25-strong steering committee which produces the agenda - all the people invited to previous meetings receive a full report on the discussions...



HERR SCHMIDT in attendance.

Group Gold Mining Companies Orange Free State

Reports of the directors for the quarter ended 31st March 1977

Free State Geduld Mines Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

Freddies Consolidated Mines Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

President Steyn Gold Mining Company Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

President Brand Gold Mining Company Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

Free State Saaipiaas Gold Mining Company Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

Western Holdings Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

Welkom Gold Mining Company Limited

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

Table with columns: Quarter ended, 6 months ended, 12 months ended. Rows include Operating Results, Financial Results, and Development.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

Table with columns: Advance metres, channel width, gold, uranium. Rows include No. 1, No. 2, No. 3, No. 4.

PARLIAMENT and POLITICS LABOUR NEWS

Silkkin may win best deal since EEC entry—PM

BY IVOR OWEN, PARLIAMENTARY STAFF

IF MR. JOHN SILKIN, Minister of Agriculture, is able to secure agreement next week for the farm price package authorised by the Cabinet, British consumers will receive the best deal since entry into the EEC...

Mr. Silkkin replied: "As far as I am concerned, butter is the one to go for. I don't mind milk, but I don't like butter."



Mr. John Silkkin

Mr. Callaghan warmly praised Mr. Silkkin for his handling of the negotiations on Community agricultural prices...

Changes

But I don't think we are going to get fundamental and revolutionary changes in a matter of six months...

Transition

But he conceded that as the transitional steps had been public knowledge since the early days of the Commission...

Tories urge quick decision on Euro-MP elections

BY RUPERT CORNWELL

TACTICAL MANOEUVRE over the forthcoming Bill for direct elections to Europe is reaching a new pitch...

Both the PM and Mr. Michael Foot, Labour's deputy leader, came under repeated pressure yesterday to allow such a vote after Monday's final day of the debate...

The agitation reflects the acute fear of Conservatives that they could be boxed into a position where they are forced to choose between supporting legislation containing proportional representation...

Profumo records

BY RUPERT CORNWELL

THE ULTRA-CONFIDENTIAL files of the Denning inquiry into the Profumo scandal of 1963 have, after all, not been destroyed...

Mr. Callaghan's timely remarks will have partly allayed the anger of a number of Labour MPs at the pre-emptory fashion to which possibly vital historical documents had been seemingly been done away with forever...

Mr. King accused Mr. Benn of indulging in the kind of private intrigue he had been so keen to deplore on previous occasions in the past...

Drax B costs row flares

BY IVOR OWEN, PARLIAMENTARY STAFF

INSISTING ON the need for the early ordering of the Drax B condenser power station in the Commons yesterday, Mr. Anthony Wedgwood Benn, Energy Secretary, accused the Central Electricity Generating Board (CEGB) of exaggerating the cost involved...

He gave no ground on the central issue, strongly pressed by Tory MPs that the CEGB should receive compensation from the Government if it is involved in a financial loss through being required to order Drax B in advance of actual requirements...

Leading a sustained attack on the Energy Secretary, Mr. Ivan King, Shadow Energy Minister, said it was the unanimous view of the CEGB and the Electricity Council that the Drax B order should not be proceeded with by the electrical industry without compensation from the Government...

North Sea oil output costs up

BRITAIN'S NORTH Sea oil is costing between \$2 and \$2.5 a barrel to produce...

Losses of production varied widely from one oilfield to another. The overall rate for the 14 commercial fields was estimated to be \$2 to \$2.5, against a range of \$2 to \$3 given previously...

Bed of nails

Mr. John Biffen (Lanc.), Secretary of State for Wales, said he would be forced to accept a "bed of nails" in dairy production in the EEC...

Mr. Silkkin replied that the EEC was only beginning to deal with surplus. Community policies should benefit both consumers and producers...

Next week's business

Monday—end of Debate on direct elections to European Assembly. European Communities (Definition of Treaties) Order.

Tuesday—Debate on mobility for disabled. Local Loans (Increase of Limit) Order. Wednesday—Second reading, Private Commission Bill, EEC (Payments, direct life insurance) Bill.

Manpower move

RESPONSIBILITY FOR the activities of the manpower services Commission in Scotland and Wales is to be transferred to the Welsh and Scottish Secretaries on July 2...

Food price increase

By Ivor Owen. BETWEEN FEBRUARY, 1973 and March, 1977, the index of retail food prices increased by almost 120 per cent...

Freeson warns Tory councils on housing

BY IVOR OWEN, PARLIAMENTARY STAFF

CONSERVATIVE controlled local authorities who cut back their housebuilding programmes below the level authorised by the Government could find themselves subjected to "counter-measures" from Whitehall...

Mr. Freeson said there were ominous signs that Conservative-controlled councils up and down the country were cutting back on their building programmes...

Race Equality commission members named

Membership of the Commission for Racial Equality, to be chaired by Mr. David Lane, was announced in the Commons...

Mr. Neryly Beech, Home Secretary, said in a written reply that the members were Mr. Tom Jackson, Secretary of the Union of Post Office Workers...

It was announced in Mr. Eric Varley, Industry Secretary, office, Asian Centre, Finchbury Park, Mr. Cristina Neighbourhood Community Association...

Written Answers

TREASURY Plan for 1977-81 is being considered by the NER who are responsible for the financing of the company...

Standard of living 'better next year' Talks could end Heathrow strike by the weekend

By Rupert Cornwell

BRITAIN'S STANDARD of living will improve this year and start to improve in 1978 if the Government manages to control its policy of wage restraint...

But to a message to the Labour candidate in next week's Ashfield by-election, Mr. Callaghan couples the encouragement to be drawn from more cheerful economic indicators with a warning that if the present strategy is abandoned, rampant inflation will return...

The last thing we want is for that growing confidence to be shattered as it will if we do not persevere...

Mr. Callaghan, in his message, makes a warm reference to the miners, whose industry is the biggest employer in the Ashfield constituency...

Journalists support phased pay policy

BY ALAN PIKE, LABOUR STAFF

THE NATIONAL Union of Journalists supported the principle of a third phase of pay policy yesterday in one of the best of its meetings...

Delegates voted by 149 to 141 to reject demands for an immediate return to free collective bargaining, and substituted a call for a phased return...

No steel sympathy strike

BY OUR LABOUR STAFF

ELECTRICIANS FROM the port strikers by stopping British Steel Corporation's Llanwern works in Gwent decided yesterday not to stop maintenance work on iron ore...

Production could have been halted if the 450 Llanwern men refused to work with the firefighters who had decided to support the strikers...

Stewards reject Ford's offer

By Nick Garnett, Labour Staff

CRAFT UNION shop stewards representing 1,000 engineers maintenance men on the Ford's Halewood factory have rejected a company peace offer...

The results of today's talks will be put to a meeting of 250 other engineering shop stewards tomorrow who will take a final decision on whether the strike's offer of further talks on this issue...

Hours after the men had voted to return to work on Sunday Mr. George Four, chairman of the panel, said there was no chance of an agreement being reached...

It could take days or even months to reach agreement on a claim which would be a 30 per cent rise in wages...

The company offered on Wednesday to put the question disciplinary procedures—cause of the dispute to a company's national joint negotiating committee...

Helicopter pilots plan arbitration call

By Our Labour Staff

NORTH SEA helicopter pilots who are on strike because of a dispute over the disposal of surplus aircraft have decided to call for arbitration...

A spokesman for the pilots' dispute committee said there would be a total deadlock between them and their company, British Helicopters...

More than 70 British Airway helicopter pilots went on a 24-hour strike yesterday in support of the Bristol men who stopped work following the dismissal of a colleague...

Mr. Moss Evans, whose succession to the biggest trade union job in the land was confirmed yesterday does not come in the job with the kind of crowd that can be seen in the Left-Right political spectrum...

Moss Evans • THE NEW TGWU LEADER A pragmatic enigma

BY OUR LABOUR STAFF

THE NEXT general secretary of Britain's biggest union, the Transport and General Workers, is something of an enigma...

Mr. Moss Evans, whose succession to the biggest trade union job in the land was confirmed yesterday does not come in the job with the kind of crowd that can be seen in the Left-Right political spectrum...

From a Welsh backcountry he made his way to the top via the TGWU's Midlands region forcing house: the same stable that produced Mr. Jack Jones, the workman's champion, and his sophisticated deputy Mr. Harry Urwin...

Since he was elevated to the job of national organiser, a move interpreted on all sides as preparation for the number one job, Mr. Evans has been active in recruiting agents and fixers, while retaining his outside industrial relations presence...

As national organiser, he has been charged with handling relations with the other unions that the TGWU would like to snap up, as well as driving into these grey areas where union membership is weak...

Political winds Even Mr. Jones, of "sellout" from the Left, long known as a Left-winger, has lately moved to some in-between position where loyalty to the Labour Government has meant, in many critics' eyes, abandoning—at least temporarily—the old tenets of the union movement...

Mr. Jones' readiness to abandon local wage bargaining in the national interest by selling and delivering two years of voluntary wage control is the most obvious example...

In his new job, which he takes up in March next year, Mr. Evans will soon have to show his true political colours, even if they are interrupted by the shilling company Boards, despite the cry...



After the announcement yesterday: Mr. Moss Evans (left) will replace Mr. Jack Jones, Mr. Stan Pemberton, chairman of the TGWU general executive council and Mr. Harry Urwin, deputy general secretary.

Advertisement for Bland American Bank featuring a portrait of a man and various bank services.

The Property Market

BY QUENTIN GUIRDHAM

Funds still bothered by DLT amendment

Clause 45 of the Finance Bill, aimed at satisfying institutional worries about liability to Development Land Tax on funding leaseback schemes, has not pleased everyone.

The most obvious reason for the amendment was the danger that funds, with the date of deemed disposal taken at the signature of agreements on leasing and financing, would not be able to offset any building cost. This has been cleared up. But only, perhaps, in terms of the pure building costs, not crucially, the finance cost where the institution agrees to provide the interim money and roll up the interest.

What has to be defined is what expenditure is allowable. More fundamentally, a spokesman for the National Association of Pension Funds yesterday queried a far more difficult point. "Really, these transactions don't come within the net of DLT at all. There is no development land profit in them apart from the local authority of new town corporation's land profit." What the institution takes, so the argument goes, is a risk on the finance. The authorities, which stand to make the land profit, are exempt from DLT.

The point on rolled-up interest could be cleared up by an amendment to the Finance Bill, if the Government really wants such costs exempted from cal-

culations (part would anyway be carried in the 110 per cent. of costs basis used in DLT). Or in some cases local authorities might be willing to fund interest, though few would like to have to do this from their revenue.

But the difficulty remains that if a fund agrees to finance the local authority at say 8 per cent., the District Valuer may take the view that the completed development should be rated at 7 per cent. The fund would claim that the building is not up, it is not let, that it in no way should be taxed on the risk it takes that the development may flop, so that 8 per cent. must be the rate used in capitalising the income stream.

The British Property Federation is among those worried by the situation, and will seek clarification next week. Essentially it thinks that the tax was meant to catch land profit, not development profit and that the two are in danger of getting mixed up. Presumably the Opposition will also be alerted. Meanwhile its spokesman Mr. Hugh Rossi has confirmed the Tories' intention to repeal the Land Act and to produce a special gains tax, at between 50 and 60 per cent., to catch windfall site value gains.

ESN's industrial programme

"We are trying not to prelet," said Richard Ellis this week when explaining their role in project managing £20m-worth of

industrial schemes for pension funds, mainly the Electricity Supply nominees and the Imperial Tobacco Group Pension Trust. If funds are to do direct development, they may as well stick out for the maximum rewards where possible; but even so, given the short building times involved on warehousing, to hold out against prelets show how confident developers of quality space have become that rents will move ahead by the autumn.

Ellis, buying the first direct industrial development site for ESN in Cumberland Avenue, Park Royal, London NW10 a year and a half ago has been able to use financial muscle when the market was still weak. The first phase of 60,000 square feet was completed in January and all six units (three of them to National Cash Register) are committed at rents reported at around £1.90 a square foot. Another 50,000 square feet will be completed by August with asking rents from £2.10 a square foot. The site was bought from Unigate.

This is one of the schemes Ellis is quoting when saying that institutions prepared to take the risks of direct development can achieve yields of up to 13 per cent. as against 9-10 per cent. on traditionally funded schemes.

Apart from an improving rental outlook, it is stressing two points currently in favour of industrial development. One is the fall in building cost escalation to around 10 per cent. a year (against 2 per cent. a month at the peak in 1974-75). Even this is above the increase shown in the building cost index figures of around 6 per cent. for labour and materials combined. But 30 per

cent. is looked on as realistic since contractors' margins have already been squeezed to the bone.

Secondly, the attitude of planning authorities has changed drastically in dealing with industrial and even warehouse schemes. Ellis has an example of this in ESN's 15-acre site at Merton Industrial Park—a site bought from Town and City, which retains a slice, and which had previously passed through the hands of Barclay Securities and Vavasour. Here, there is an agreement for a third of warehousing (from the total of 263,000 sq. ft.), a third factory space, and a third which must be offered as factory space for the first six months. After this period the council, which is doing all it can to help attract industrial tenants, will settle for warehousing use. Asking rents, on completion of the first phase in December, are £2.25 a sq. ft.

Ellis reckons to be project managing a total of 750,000 sq. ft. at present (the big project for the femp's fund is the total of 200,000 sq. ft. at York Town industrial Estate, Camberley, let to Lenthic Morny at around £250,000) and to have a further 1.5m. sq. ft. of schemes in the pipeline.

Revival in Birmingham office demand

"We are not out of the wood, but we can start to see the daylight," said a leading Birmingham agent. To back his point, against the background of what was one of the country's most serious oversupplies of office space, is a surge of lettings over the last six months or so.

Around 180,000 square feet of space has gone in Solihull, over 100,000 square feet in the city centre and 120,000 square feet in Edgbaston.

The figures for all space vacant throughout a broadly defined Birmingham area, had risen through the millions to unheard-of totals. But these lettings are in the locations which matter. The trend appears to have changed and landlords' concessions are being tightened.

Even with some notable landmarks still completely vacant—Interland's 190,000 square feet and the Commercial Union's 147,000 square feet are among them—it can be argued that, with no new starts being made, and none likely to be at present rentals, a shortage in some sizes of unit could develop in the best areas within the next year. Whether they are serious inquiries or not, there seem to be a couple of 100,000 square foot requirements being canvassed, more in the 50,000-60,000 square foot range, and more again at around 25,000 square feet.

It is apparently very hard to talk of an average take-up of office space in Birmingham. It is a city which has seen several booms in its property market since the war, several periods of dramatic oversupply followed by a gradual absorption of the space. Any total availability figures must also take into account a considerable amount of old and all but unlettable space, and some very poorly located new buildings. But over ten years between 400,000 sq. ft. and 1m. sq. ft. might be an average take-up figure. With around this level let in half a year, at the least this represents a real revival from a low base.

Latest significant letting to be announced is MEPC's 35,000 sq. ft. deal with TI (Export), the export marketing company of TI's Steel Tubes Division, in the Broadway development at Fiveways. TI (Export) has taken as a self-contained unit, one of the four interlinked blocks. It is a 100,000 square feet in the city centre and 120,000 square feet in Edgbaston.



The 328,000 sq. ft. of offices in Arundel Great Court, the stone-faced quadrangle overlooking the Thames in the centre of the picture, has been fully let. Last tenant signed up is the biggest single user, Philips Electronic and Associated Industries, with a lease on two separate blocks totalling 117,000 sq. ft. That Philips, having decided on 61,000 sq. ft., then opted to add a second building, provided a happy ending for Legal and General Assurance, which two years ago bought out all but a fraction of its partner

Capital and Counties' interest for £8.2m. Equally so for agents Matthews and Goo man, which has been involved in the sit for 20 years, acting on behalf of the Du of Norfolk's Trustees and as letting agent for the developers. The rents on the office appear to have hardened a little since the first letting to Chemical Bank approached two years ago. Total rent roll, and it includes the 150-room Howard Hotel fronting the river, is around £3.5m. a year exclusive.

were some landlord's concessions. revival, with around 90,000 square feet of Metropolitan House, also three-quarters left in its 4 at Fiveways, let, representing square feet building. In another of the Broadway development at Fiveways, TI (Export) has taken as a self-contained unit, one of the four interlinked blocks. It is a 100,000 square feet in the city centre and 120,000 square feet in Edgbaston.

Joint letting agents for Br way are Haylock, Inchley way are Edsall, Grimley and Son, Edward Erdman and, in Leicester, Edwards Bigward and Be square feet there. In Leicester, a disaster area showing acted for TI (Export) done well out of the Birmingham is about 80 per cent. let in its players Association.

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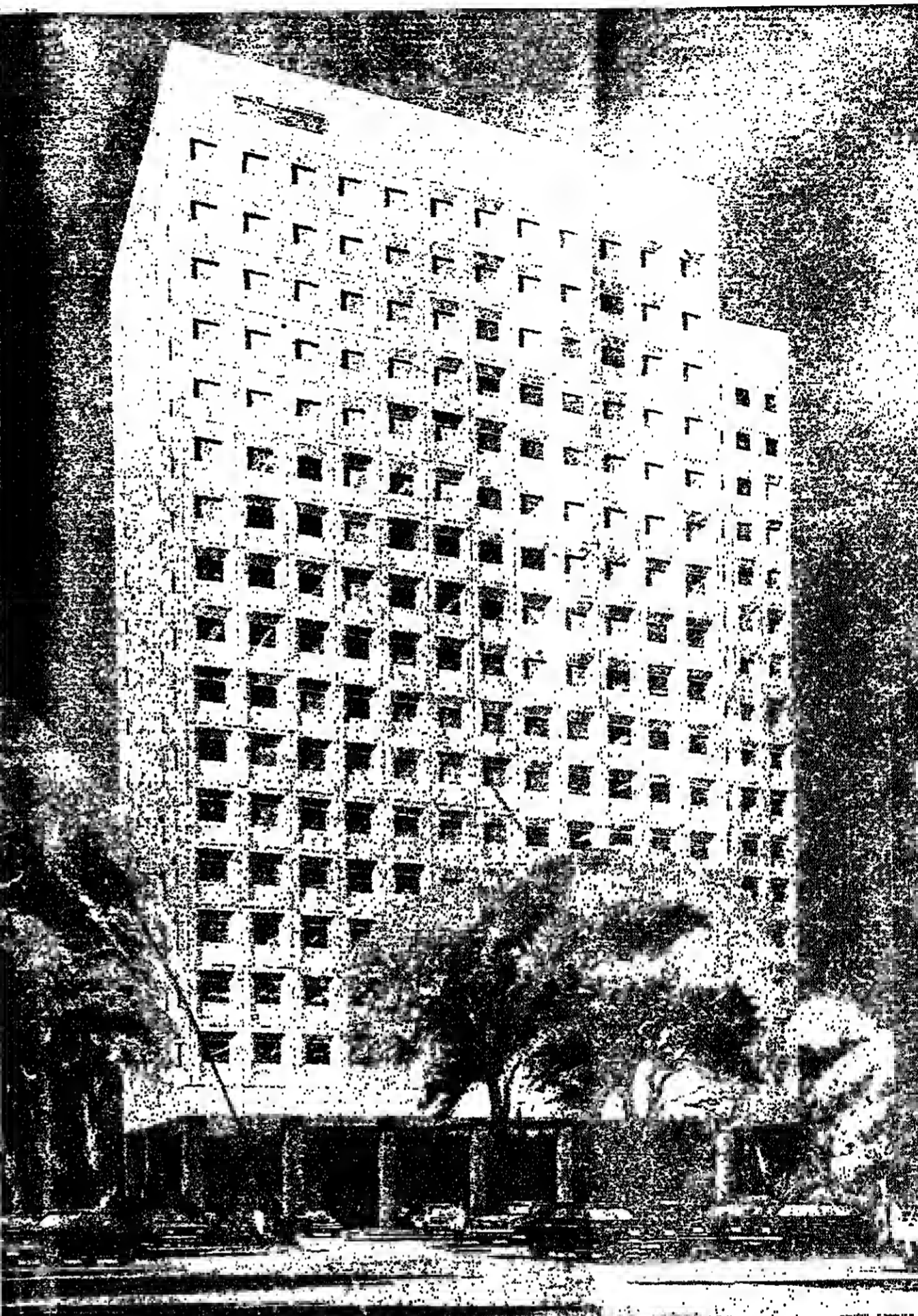


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Buy in 1975

The Management Page

Rhys David outlines how Albright and Wilson aims to assert itself as a major chemical producer

A bid to emerge from the shadow of ICI

A DETERMINED bid to demonstrate that Britain's chemical industry does not begin and end with ICI is currently being made by the second-ranked U.K. producer, Albright and Wilson.

For although dwarfed by ICI, with its sales of more than £1,000m and profits of £340m, Albright has itself recently reported record profits of £15.5m, an improvement on the £10.5m in 1975 and a substantial recovery from the bare profits being scraped only a few years ago.

With a strong cash position behind it, and relatively low borrowings, A and W will also be moving soon into a period of sustained higher investment over several years of relatively low capital spending. Investment in 1975 totalled only £13m, falling to £14m last year but a number of new projects have already been announced, including a big expansion in the U.S. Altogether a total of £60m is now about to be spent or available for investment.

The company has recently begun a major corporate advertising campaign with the slogan, "A Force For British Industry," aimed at demonstrating its involvement in supplying other manufacturers with a variety of essential products from flameproof finishes for the textile industry to the fragrances sold by its BBA subsidiary in the cosmetics.

Mr. David Livingstone, managing director of Albright & Wilson, and vice chairman of the company, has since taken place reflects the efforts made to do just that.

The dogs which were shot included low margin fertilizer businesses in Canada; the company also pulled out of an unsuccessful partnership with Dow Corning in Midland Shires; some other businesses such as its U.K. chrome operation which A and W would like to have kept, were also sold.

The Long Harbour plant, part dog and part tiger, was kept, however, in the belief that if it could come good it would give A and W a strong position internationally in the production of elemental phosphorus, a chemical used in a variety of applications, including detergents, but even more importantly as an intermediate for the production of chemicals used in food processing, pharmaceuticals, chemical processing and other high added value areas.

The decision to make Long Harbour the base for the conversion of phosphate rock into various other phosphoric acid by the energy-intensive thermal process and to close down production facilities in the U.K. had it been the

cause of a major Boardroom row in A and W in the 1960s, leading to the resignation of one of the then dominant figures in the company, Sir Frank Schoth. The incentive, however, was the availability of power at 2.5 mills per kWh under a 25-year contract.

With this very powerful economic advantage at stake the company struggled through a total of 22 major modifications to the plant in a bid to overcome the principal problem — breakage of the carbon electrodes. At long last it has been able to report that in 1976 the number one furnace performed well. The company is now planning later this year to start up a second furnace, giving it a total capacity, including its older Varennes plant in Quebec, more than 80,000 tonnes a year.

The strategy being developed, according to Livingstone, is to concentrate on areas where the company is already a significant world-scale producer or has special technology, and to extend its interests into parts of the world where it has only limited markets at present — such as South East Asia. The Canadian operations place A and W in the front rank as a world supplier of phosphorus materials alongside such giants as Monsanto and Hoechst.

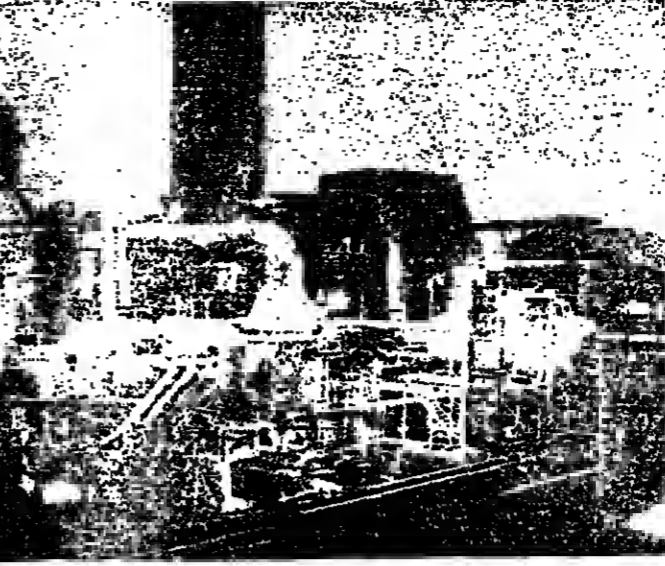
From Canada the company supplies its own downstream plants in the U.K. and Australia, as well as outside purchasers round the world, including Japan.

A and W claims to be the world's biggest manufacturer of sodium chlorate, a bleaching chemical used in the wood pulp industry. Production is located in Canada, again in order to take advantage of cheap power, but the company is planning to make its biggest move into the U.S. market to date with a new 20,000 tonnes per year plant, expected to rise later to 50,000 tonnes, to be built in Louisiana.

An extra 20,000 tonnes capacity is also to be installed at its Thunder Bay plant in Canada, bringing the company's total capacity to 175,000 tonnes.

Through another subsidiary, Bush Boake Allen, the company is also ranked among the top five world producers of flavours and fragrances, used to give taste to foodstuffs and aromas in soaps, household cleaners, perfumes and a variety of other consumer products. Here again growth is likely to come from penetration of the U.S. itself a large market as well as the base for the most important international foodstuffs and domestic products groups.

It is in the phosphates area that the strategy of developing existing strengths is most likely to run into problems. For although the company has battled through to a strong position in thermal phosphorus



Sulphur burner at Albright & Wilson's Whitehaven, Cumbria, works.

production and for its U.K. sodium tripolyphosphate output, recently expanded by 50 per cent.

In the shorter term the company is likely to be more preoccupied with moves to introduce a new management structure as the second stage of a rationalisation scheme began two years ago when three divisions — detergents and chemicals covering the most important U.K. activities: ERCO covering the Canadian phosphate and sodium chlorate operations; and BBA covering flavours, fragrances and fine chemicals — were set up.

The proposals are to remove the divisional layer of management between head office in London and the 11 business sectors covered by the divisions. Head office would assume increased responsibility in some areas such as the formulation of overall policy, personnel, and purchasing, but the business sectors would be given greater responsibility over their own operations, including production and marketing.

The difficulty is that the plan would mean breaking up the successful detergents and chemicals division which through its strong position as a supplier of detergent and specialty chemicals in the U.K. and overseas has kept A and W afloat during its troubled period. The division, which is run from Whitehaven in Cumbria, was created by a merger two years ago of the Marchon division at Whitehaven and the detergent division at Oldbury, Birmingham, and comprises six sectors — phosphates, detergents, organic, agricultural specialities and Australian.

Though senior executives are reluctant to talk about the proposals which have yet to be discussed with staff, the aim is to create a more unified company which can be projected as an entity internationally. At the same time it is hoped that by giving the individual business sectors greater independence, the efficiency of their operations will be increased.

The other uncertainty which inevitably hangs over the company is the long-term attitude of Tenneco. Though it has representatives on the A and W Board, Tenneco has been largely happy to allow the company's management to sort out its problems without interference — a policy which results would seem to have justified. But although the partnership precedents suggest that Tenneco will eventually be a buyer or seller.

Chemicals represent less than 10 per cent of Tenneco's turnover. The rest comes from oil and gas, shipbuilding, and a variety of other conglomerate activities, including David Brown tractors and motor components. Much will obviously depend on whether Tenneco, which has its own problems of corporate strategy to sort out, sees chemicals as an area in which it would like to grow.

For the immediate future A and W's main concern is likely to be to ensure that the right decisions are made both in relations to the development of its overall strategy and the management structure to carry it out. Set against the task of making its Newfoundland investment work, and of recovering economic strength, these are problems the company is fairly confident it can overcome.

BOOK REVIEW

A ship market's stormy passage

BY ROY ROGERS

The Baltic Exchange. The History of a Unique Market. By Hugh Barry-King, Hutchinson, 27.50, 431 pages

FROM ITS humble origins on the streets of the City of London over 300 years ago, the Baltic Exchange has evolved to command an exalted position at the centre of world shipping and commodity markets. But, as Hugh Barry-King clearly illustrates, the Baltic has often endured a stormy passage in its long history from the early 15th century when shipmasters and merchants used to congregate in Lombard Street to deal in tallow, timber and other commodities from the Baltic sea ports.

Yet, six months later, many Baltic members including the Ralli Brothers, the Glover Brothers and the Barnings, were clamouring for information facilities equal to those at Lloyd's. This was the fast growing era of the private enterprise telegraph companies and the Baltic soon realised that it could not do without such facilities.

While a large section of Baltic members agitated for more space, even after the Baltic Company acquired the South Sea House, and complained of increasing costs, the Baltic was challenged by the Jerusalem Subscription Room and Exchange (born in the Jerusalem Coffee House) and the London Shipping Exchange.

These two rivals to the Baltic, both housed in Billeter Street, merged around the turn of the century, and then they, and the Baltic, amalgamated to form the Baltic Mercantile and Shipping Exchange which was incorporated on January 17, 1900.

Three years later the present Exchange was built in St. Mary Axe at a cost of half a million pounds.

One of the many interesting sagas in this intriguing history tells of how Britain wrested the bulk of its import trade away from the Dutch in the 1650s by insisting that a wide range of imports be carried in English ships, with English masters and three-quarters of their crew English, or in ships from the producing country.

Ironically this early cargo preference scheme, which led to war with the Dutch, is not unlike the moves the U.S. is contemplating at the moment. Less to say it is the British who are leading the fight against cargo preference and stressing that free trade must be maintained.

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Business books

- Capital Budgeting Techniques**, by F. M. Wilkes, John Wiley and Sons, £13.00. This aims to explain, develop and extend the techniques of investment appraisal and capital budgeting.
- Human Energy**, by John D. Ingalls, Addison-Wesley Publishing, £11.00. This book is designed for all people whose work involves individual or organisation development.
- Industrial Tribunals' Procedure**, by Michael J. Goodman, Oyez Publishing, £3.75. This is a guide for all those who appear before the industrial tribunals and the Employment Appeal Tribunal.
- Dictionary of Management**, by Derek French and Heather Seward, Pan Reference Books, £1.50. A reference work providing definitions for nearly 4,000 terms, abbreviations and techniques current in general and functional management and in such areas as government, law and economics that affect the manager's work.
- Modern Decision Analysis**, by Gordon M. Kaufman and Howard Thomas, Penguin Books, £2.25. This aims to represent a considered attempt to reflect the current "state of the art" in the extensive applications of decision analysis.
- Culture and Management**, by Theodore D. Weinsall, Penguin Books, £1.75. This book contains a selection of the work on the relationship between culture and management.
- Business History**, by R. A. Tucker, Frank Cass and Co., £12. This selection of readings demonstrates the use of both descriptive analysis and quantitative methods in the study of business records.

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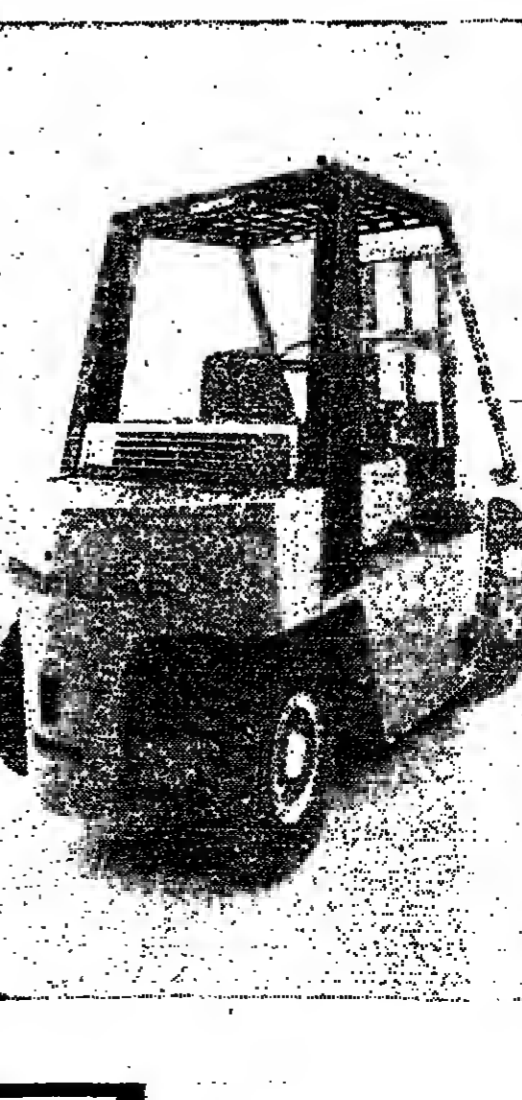
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CATERPILLAR

NATO's serious disarray

NATO is in serious disarray. That statement has nothing whatsoever to do with the stories of the forces of the Warsaw Pact being capable of reaching the Channel within 48 hours, or of a Soviet strategic superiority already achieved. On the contrary, the military posture of the Alliance is at present perfectly adequate.

Nevertheless, the opening statement still means what it says: the organisation of the North Atlantic Treaty leaves a great deal to be desired, and the problem is getting worse to the point where the future security of the Alliance could be endangered. This is not to say that there are no good people on the international staff, for there are. Admiral of the Fleet Sir Peter Hill-Norton, who has just retired as the Chairman of the Military Committee—the Alliance's highest military authority, would have been at home at the top of any large corporation. But the problem is that there is a limit to what Sir Peter and his like can achieve as a management agency without the backing of national governments. This backing is not there.

The point may be illustrated in several ways. Take, first, the latest British loan from the International Monetary Fund. Although the loan was made through the IMF, two of the principal subscribers were the U.S. and West Germany—Britain's two chief military allies. Neither of those countries wanted to see further cuts in Britain's defence expenditure. Indeed they already regarded the previous cuts as risky enough. Yet at no stage was any connection made between lending Britain the money and seeing that its defence contribution was kept in order. Or rather an attempt was made at the last minute when the possibility of further cuts was pointed out to Dr. Kissinger, the then U.S. Secretary of State. Dr. Kissinger sought to intervene in Washington, but it was too late. The U.S. Treasury had approved the U.S. subscription without giving a thought to the possible consequences for defence. One major arm of the U.S. Administration was simply not aware of the concerns of another. NATO itself was not consulted.

The point may be made again through the story of AWACS, better known in Britain perhaps as the story of Nimrod. The first time that the case for an airborne early warning system (AEW) was put in a NATO paper was as long ago as 1958, which means that it must have been first discussed informally a year or two earlier. This is a project which, if it ever takes effect on an Alliance basis, will not become operational until the early 1980s.

About four years ago, the discussions became relatively serious, though hardly anyone but a specialist could have known about it. Two years ago, the project had been more or less defined and was at the centre of the internal NATO debate. It was to be based on the Boeing E-3A and known as AWACS for airborne warning and control system. Moreover, it was to be the biggest project ever undertaken by the Alliance as a whole. At a cost of \$2.5bn, it exceeded the annual defence budgets of some of the smaller NATO members.

Looking back at what now may very well be a dead duck, two points stand out. The first is that AWACS was a perfect example of how not to manage a major project, and the second is that, in spite of that, it very nearly came off.

The principal failing was the financing and the lack of co-ordination between national governments. When it came to a decision, it was found that West German defence expenditure was committed for the next four years to other projects, that the subject of airborne early warning had been on the NATO agenda for more than a decade and a decision had been known to be imminent for the last two years, and without German participation AWACS had little chance of success.

for the special problem of the British. The British Government had an alternative national early warning system based on the Nimrod, which it wanted to slide out of in favour of the NATO solution. It had no wish, however, to abandon Nimrod before AWACS was secure. Successive British Defence Secretaries thus warned the Alliance that the AWACS decision would have to be taken urgently.

The NATO Defence Ministers normally meet twice a year—in May or June and December. Largely at the British insistence, the communiqué of the December 1975 meeting said that the AWACS proposal would be considered at the next June meeting "with a view to making a decision." The June meeting ended, with another communiqué that was, if anything, slightly weaker. It noted that

seems clear that the Germans were exploring ways of finding the money. But the Ministers still postponed the final decision on the details until later in the year. That was too much for the British Government. Shortly afterwards, Mr. Fred Mulley, the Defence Secretary, announced that Britain was going ahead with the Nimrod programme, albeit he hoped, in a way that would make it compatible with a NATO system.

Yet even if the AWACS decision had come off, as it so nearly did, it would have still been the wrong way to go about it, and so much is now widely admitted within NATO headquarters. The project was pre-empted on a low key, technical level. It involved a vast sum of money, but nobody tried to sell it or explain it to a wider public what it could actually do. Very little attempt was made to outline the possible

worksharing benefits to European industry.

When the British Nimrod lobby developed, there was no one to counter it, partly because very few people knew much about the subject, and partly because NATO has no constituency. Above all, however, there was the organisational failure of trying to push through a project without having secured the financial backing NATO officials were powerless before national governments, which had ostensibly backed the project, but had made no provision for it.

If that analysis seems to blame the West Germans unduly, it should be added that it was the British who pulled out when success was arguably in sight. In the end, the British Government chose to protect a few

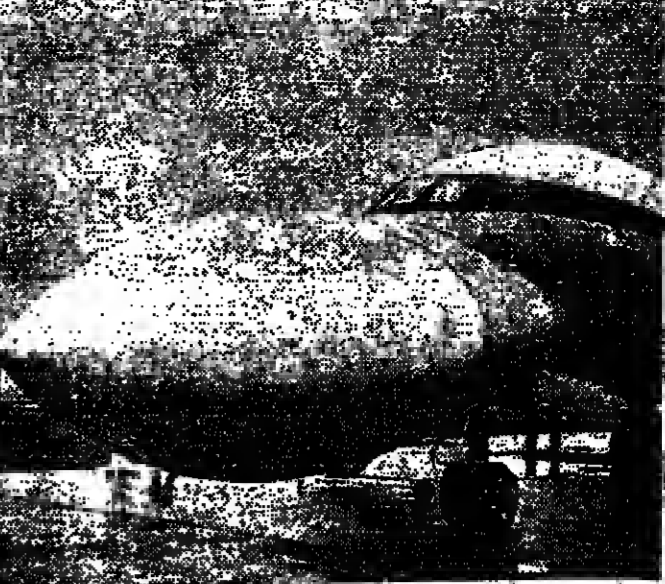
thousand jobs rather than go for an Alliance solution which it had clearly regarded as militarily preferable.

Yet if AWACS is the most spectacular example of an organisational failure of the Alliance to date, it is by no means the only one. There is, for instance, the case of the future main battle tank, which was to have been decided by a competition between West Germany and the U.S. It is impossible to convince any West German that that competition was fair, and the Germans may well be right that the competition was rigged in the U.S. favour. But the point is that there is no one in national governments looking at (say) the future tank question from the NATO point of view. The American military have a say in what kind of tank they want, as do American Congressmen in whose area the tank might be built. It might be the same in other countries. But there is no one with any authority to say what kind of tank would be best for NATO and to see that national programmes take NATO requirements into account. Nor is there anyone to ensure that there is any link between forward planning in the Alliance and the forward planning of national defence budgets.

The problem will get worse as defence programmes become more expensive. In his farewell address to the NATO Council, Sir Peter Hill-Norton spoke of a number of requirements over the next decade or so, the cost of which will dwarf the \$2.5bn. sum estimated for AWACS. The cost of the air defence requirement alone is put at ten times that figure. Yet NATO in its present state is quite incapable of dealing with such sums. Even if it had the management experience—and there is talk of bringing in outsiders from industry—it would not be allowed the proper authority by national governments.

The explanation is very simple: while national governments are all in favour of standardisation of equipment and Alliance solutions in principle, in practice they do not want to sacrifice any part of their own industry. That, after all, was what the Nimrod lobby was all about, and in the end it won. The national system is preferred in spite of the improbability that it will sell abroad, and therefore pay its way.

It is thus not surprising that NATO, after the AWACS debacle, is not the happiest of places. There is a determination to try again and even AWACS—or rather NIMWACS—has not been officially given up for dead, but there is depression about the Alliance's ability to do so. The Permanent Representative who, are diplomats, are embarrassed, said one military man, to talk about defence because they know it means money. Instead they disappear into the clouds and talk about the birth rate in China, or indeed it is true that the Permanent Council met 51 times last year, but the Defence Council met only 20 times.



The development radar pod for the Nimrod project.

to try again and even AWACS—or rather NIMWACS—has not been officially given up for dead, but there is depression about the Alliance's ability to do so.

There is perhaps one institutional way out. For more than a year now the European members of the Alliance, including France, have been meeting off side NATO as the independent European Programme Group. (Even the title is not certain because the French insist that the word "independent" has capital I.) The purpose is to draw up a list of the requirements of the member countries over the next 10 years, and then to see how they can best work together on procurement. At some stage a common approach should be made to the U.S. under which the Europeans would say what they would like to build for the Americans, at what they would like to buy. There would then be, in theory at least, the beginnings of more equitable trade in air traffic across the Atlantic. The present ratio is about ten to one in the Americans' favour.

Remarkable change. The EPG was initially not much liked by NATO as such. After AWACS, however, there has been a remarkable change. The EPG is now seen even by some NATO officials who once opposed it as perhaps the only body in which the Europeans are capable of settling their own rivalries over defence programmes and then bargaining with the U.S. on anything like equal terms.

That may be the optimistic view. If it is, it is difficult to see any other way of the goal being resolved. In the long run, given the rising cost of defence equipment and the way in which the Warsaw Pact continues to spend the Alliance, that means that the security of the Alliance will suffer. NATO may be a reasonable shape today, but it is less the member governments can begin to work more closely together, the outlook is bleak.

Conservation the aim

THE U.S. is not only an extremely large but a wasteful consumer of energy. Ever since its demand for oil began to exceed what it could supply from domestic resources, the balance of world trade in oil products has been badly disturbed and the prospect of a world shortage of oil within a relatively small number of years has become more serious. Precisely how serious is a matter of dispute — President Carter himself does not seem to have perfect faith in his own company estimates — but he is evidently convinced that the U.S. could find itself in a dangerous position within a decade if firm action is not taken. That conviction is based not only on supply considerations but on the allied considerations of price, balance of payments cost and security risk.

This is not the first time there has been an oil scare in the U.S.: President Nixon mounted a Project Independence. There seem to be three distinctive features of the new Carter campaign. The first is the emphasis which it is placing on the conservation of oil rather than the discovery of new resources. The second is its heavy reliance on the price mechanism to bring about changes of the kind sought. The third is the very rigour with which the President has mounted the campaign and the breadth of the field over which he proposes to fight it.

But financial sticks and carrots are simultaneously proposed to discover new sources of oil; to bring about a major switch to coal, of which the U.S. has abundant supplies; to develop present methods of nuclear power generation on a larger scale; and to subsidise things like house insulation and solar heating devices.

One reason for the relief of the oil companies is that the President seems to have set his face, for the time being at least, against the idea of forcing them to divest themselves of their investments in other forms of energy. That is not to say that he does not intend to supervise their operations and their profitability closely. But he appears to have put his emphasis on conservation, and to have ignored connected issues like divestiture and changes in the environment regulations (which would have encouraged the development of strip-mining of coal), for the sake of presenting Congress with as clear-cut an issue as possible.

Haggling. For these are, it must be remembered, only proposals. They will be widely unpopular and will be fought hard in Congress for that reason, let alone by the various business interests apt to be upset by them. It is too early to say how far President Carter will be successful, but there will undoubtedly be a lot of haggling and compromise on the most optimistic assumptions, and the date for the various targets which the President hopes to hit in 1982, for all that, the rest of the world has good reason for being grateful to him. The more his programme is accepted and implemented, the more the U.S. demand for imported oil will be brought down, the less daunting will be the prospect for both supplies and price — facing other countries. As Mr. Roy Jenkins has already pointed out, Europe is worse placed than the U.S. The resumption of enriched uranium supplies may lead the way to an agreed solution of the nuclear reaction question, while the U.S. example may now lead the European Community to work out an energy programme of its own.

Divestiture. With oil and gas accounting for 75 per cent. of current U.S. energy consumption but only 7 per cent. of its known energy reserves, a major change of consumption patterns is evidently called for. Conservation, in President Carter's words, is "the quickest, cheapest, most practical source of energy." Hence the proposals to bring U.S. oil prices up to the world level through taxation; to tax more heavily cars which are heavy consumers of petrol and subsidise those which are light consumers; and to impose a special tax on petrol which would rise year by year to the extent that consumption failed to fall by an agreed amount.

A Minister's power to intervene. DOES THE Secretary of State for Energy have the legal power to compel the chairman of the Central Electricity Generating Board to order a power station which he does not want? Surprisingly to this question is not entirely clear. The Electricity Act of 1957, like most of the other nationalisation statutes, enables the Minister to give "directions" of a general character on matters which would seem to imply a public interest to him to be "requisite to the national interest." This power, which has been very rarely used, would appear to exclude something as specific as the present case, where Mr. Anthony Wedgwood Benn, the Secretary for Energy, wants the CEBG to place an order for the Drax "B" power station in order to preserve jobs in the plant supplying industry. It is conceivable, however, that a general direction could be drafted which would have the desired effect from Mr. Wedgwood Benn's point of view.

MEN AND MATTERS

Honest Francis quits. Business life in Hong Kong is maintaining its penchant for the colourful. Spurred by declining business, the colony's stock exchanges are talking about merger — but a row has broken out which has led to the resignation of Francis Zimmern as chairman of the Hong Kong Stock Exchange, the original and most European-oriented of the four in operation.

"Honest Zimmern," as he is widely known, is a strong, unassuming personality of 61 who had been involved with merger talks between his exchange and the Far East Exchange, whose 340 brokers handle about 45 per cent of total HK turnover in securities.

Zimmern stalked angrily out of a members' meeting called to discuss the Far East merger because members advocated accepting an invitation to discuss joining up with the second biggest exchange, the Kam Ngin. Zimmern pointed out that a condition of the HK/Far East talks was that there should be no involvement with the Kam Ngin. "You can't be married to two brides at the same time," he says, adding he will "not associate myself with such irresponsibility."

City pump. Guildhall Yard, frequently the scene of splendour, pomp and ceremony will be transformed for one July week into a village square, where side shows, stalls and popular events will be staged during lunchtimes for thousands of City office workers. That, you lucky people, is just one of the delights dreamed up by the City Fathers for Jubilee year.

But the main highlight will be the Queen's visit on June 7. A City deputation, in four horse driven carriages will drive from Mansion House to Child's Bank in Fleet Street.

Once there, they will hang around until the arrival of the Queen and the Duke of Edinburgh who will arrive in the Corroadoo Coach just after 11 o'clock. In the days before Temple Bar was removed to the wilds of Hertfordshire it was customary for the Lord Mayor and assorted City dignitaries to await the monarch at the Bar where Child's originally had an office. Child's gave hospitality during their wait, and the tradition has survived the removal of the Bar itself.

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Grocery Distribution

After three years of their own brand of recession, there are signs of an improving outlook for grocery retailers—but it is contingent on several factors, most of them involving a general improvement in the economy.

Little margin for error

by Elinor Goodman

Business Affairs Correspondent

THIS YEAR could be the best for grocery retailers since 1974. Such optimism, however, must be conditional on three factors, not all of which are by any means certain: (1) that the industry recovers from the very low level of the first two months of this year to nearer last year's level; (2) that the Government does not intervene to prevent a recovery; and (3) that some new wages policy is negotiated.

After three years in which the industry has been operating at severely reduced margins, the grocery trade tends to see the black side of things, but the mood of retailers at Monday's Institute of Grocery Distribution conference will probably be one of guarded optimism. Margins in both food manufacturing and food distribution improved last year, and for retailers at least, there could be a further improvement this year. Even so, speakers at the conference will not doubt point out, it is highly unlikely that many companies will be trading at the level of net margins which were common before 1973. Moreover, recovery there may be in part a reflection of the unprecedented number of shop closures which have taken place over the last two years, closures which have reduced some groups to shadows of what they once were.

Such optimism as retailers admit to is based almost solely on the assumption that the rate of inflation on food prices will continue to rise faster on other items, and that, as a result, grocers' cash sales will

go up faster than their costs. This will be the first time that the costs/sales ratio will have been working in the industry's favour since the Spring of 1974 when the Government's enforced 10 per cent reduction in distributors' gross margin ceilings coincided with the take-off in their costs.

In the second half of 1974 and the whole of 1975, the impact of the Government's wages policy on the industry's traditional low pay structure, together with the rise in other costs, meant costs ran ahead of sales. The same was true at the beginning of last year. But then in the second half, the two came closer together.

Average

The wages agreement negotiated between the Government and the TUC last summer and generally paid by the food trade last November was, though large by retail standards, lower in percentage terms than the 1975 agreement. As a result, the industry's wage costs rose last year by an average of around 18 per cent, against nearly 25 per cent in 1975, while the increase in other costs slowed down from around 27 per cent to nearer 15 per cent. Cash sales rose by around 17 per cent in 1976.

Volume through food shops, which has never shown the kind of increase seen in other sectors of the retail trade, fell again slightly in 1976 to just under 1 per cent less than in 1975. But some retailers managed to increase their gross margins and the result of this, together with the slowdown in the rate of cost inflation, and

the benefits of an unprecedented number of shop closures, meant that net margins improved from their low level of the year before.

According to figures from the IGD, which are based on a model of leading food retailers and which will be presented in more detail on Monday, net margins in 1976/77 rose to 2.1 per cent. This compares with a low of 1.7 per cent in 1975/76 but this is still a long way off the 3.5 per cent which the IGD estimated the same companies made in the two years to April 1974. The IGD's figures for manufacturers, who make up 50 per cent of its membership, show a smaller increase in their net margins, but the manufacturers' margins started improving ahead of those of their retailers.

This year could see a further improvement in distributors' net margins subject to the proviso already mentioned. Food price inflation seems likely to lead inflation at least in the first half of the year and the current wages policy represents another reduction in the rate of wage cost inflation.

As most food retailers pay their wage increases in November, this picture should be maintained at least until the autumn. After that, of course, everything hinges on the outcome of the Government's negotiations with the TUC, but given the fact that the retail unions—where they exist—are still relatively weak and that any new, more flexible wages agreement will probably be based on a percentage rise rather than a flat rate increase, the retail employers may have less to fear than those industries which employ highly paid

skilled workers, backed by powerful unions.

But if it is good news on the one hand for retailers that wages are going up less fast than prices, it is bad news on the other: margins, after all, are only half the story. Volume is hardly likely to show any sustained increase as consumer expenditure comes under more pressure and housewives are forced to trade down. The food sales for the first two months of this year were extremely disappointing and those supermarkets which have diversified into the more profitable general merchandise areas found non-food sales equally slow.

Some retailers say that housewives must have been living off their larder stocks at the beginning of this year and these cupboard-villains will have to be replenished sooner or later. But at best, sales are not likely to be any better than last year. This means the retailers will once again be fighting among themselves for a larger share of a static market. Already, there are signs that the upward trend in gross margins last year is being reversed. Whereas, in 1976, other supermarkets followed Sainsbury's lead and raised their gross margins, now they suspect Sainsbury's of leading in the other direction.

Base

In some parts of the country, it is not Sainsbury which gives a lead but the activities of aggressive discount chains like Kwik Save and Asda. Gross margins in the North of England are already significantly less than those in the South and supermarket chains with a

strong base in the south of the country must be apprehensive about the way both Asda and Kwik Save are paving a path to London and the South by way of the West Country.

In this situation, the statutory control on gross margins is not likely to pose a problem for many companies in the immediate future. A very few may come up against their net reference levels but to generalise the continuation of margin control has been more of an insult to the trade than an injury.

Retailers have a case for saying that they have been inequitably treated under the new price controls. Not only will they continue to be controlled by the existing profit margin ceilings, but they will also be subject to the new system of Price Commission investigations. Both food manufacturers and food retailers fear that they will be top of the Price Commission's inquiry list.

They suspect that however much the Prices Secretary, Mr. Roy Hatterley, may protest to the contrary, political pressures will persuade him of the need to be seen to do something about food prices, and that this could have a disastrous effect on any sector of the trade singled out for treatment. While Mr. Hatterley's advisers do seem to believe that the food retailing is already highly competitive, the new powers certainly have the potential to make life very difficult for any retailer caught in their net. As the Retail Council has repeatedly pointed out, planning—and investing—for the future will be made even more hazardous when a company does not know the rules it is supposed to be obeying.

increased emphasis on urban renewal, has made some retailers wonder whether the more positive approach towards superstores outlined in the draft note will ever become formal policy.

But despite the continued opposition of local authorities to the very large stores and the drop in the number of new shops opened, the trend towards larger supermarkets has continued. The average size of all the supermarkets opened in 1975-76 was 14,472 square feet compared with an average of 12,256 square feet for the stores closed.

The rate of store closures in 1975-76 was the highest ever and as shops closed so staff were made redundant. During the year, the number of multiple shops fell by 13 per cent, with 1,027 shops closed and only 123 opened. The bulk of the closures occurred in self-serve stores of under 2,000 square feet but the number of larger shops closed also showed a big increase.

Large stores, with easy access for both deliveries and customers and space enough to sell a good range of the more profitable general merchandise lines, may be the ideal of most supermarket operators. But the reality in many cases is the High Street shop with no room for physical expansion and high operating costs. For this reason it may be academic for the moment to talk about trade planning between neighbourhood convenience stores and superstores as most of the big applications turned down while the Association of Metropolitan Authorities has reiterated its strong opposition to out-of-town shopping developments. This, together with the Government's

increased emphasis on urban renewal, has made some retailers wonder whether the more positive approach towards superstores outlined in the draft note will ever become formal policy.

But despite the continued opposition of local authorities to the very large stores and the drop in the number of new shops opened, the trend towards larger supermarkets has continued. The average size of all the supermarkets opened in 1975-76 was 14,472 square feet compared with an average of 12,256 square feet for the stores closed.

The rate of store closures in 1975-76 was the highest ever and as shops closed so staff were made redundant. During the year, the number of multiple shops fell by 13 per cent, with 1,027 shops closed and only 123 opened. The bulk of the closures occurred in self-serve stores of under 2,000 square feet but the number of larger shops closed also showed a big increase.

Large stores, with easy access for both deliveries and customers and space enough to sell a good range of the more profitable general merchandise lines, may be the ideal of most supermarket operators. But the reality in many cases is the High Street shop with no room for physical expansion and high operating costs. For this reason it may be academic for the moment to talk about trade planning between neighbourhood convenience stores and superstores as most of the big applications turned down while the Association of Metropolitan Authorities has reiterated its strong opposition to out-of-town shopping developments. This, together with the Government's

locations. But in the longer term the economics of distribution may lead towards this polarisation.

The immediate problem is what to do with those existing shops which are no longer making money as traditional supermarkets. In the first 18 months virtually all the big groups have been experimenting with ways of dealing with this situation—usually by testing some kind of discount operation.

Some of these efforts have paid off in terms of market share. According to the latest figures from A. G. Nielsen, the multiple supermarkets again increased their share of the total grocery market now estimated at £8,653bn. The multiples' share rose from 48.9 per cent to 49.4 per cent, but it was the Co-op which showed the biggest volume increase with its share moving up from 13.7 per cent to 14 per cent. The share taken by the voluntary groups, which in the longer term claim to be confident that they will pick up more business as the supermarkets are forced out of the High Street, remained static at around 12 per cent, while the share taken by unaffiliated independents again fell back.

Within these figures, however, lie considerable differences of performance. Sainsbury maintained its lead over Tesco but the biggest strides, according to figures published by AGE, were made by the two discounters, Asda and Kwik Save, with Keymarkets, which also adopted a new pricing policy this year, also moving up along with Allied Suppliers' new Presto chain. Volume is not, of course, everything, but it cannot be much comfort to the traditional High Street operators that two of the groups with the lowest gross margins—Asda and Kwik Save—manage to make some of the highest net margins.

All this suggests that discounting will become more widespread in the future and that while some companies may be able to improve their overall gross margins by improving their fresh food operations or increasing their non-food sales, competition is hardly likely to get any less intense. Some companies may be able to improve their net margins, thanks to a lower rate of cost inflation, but others may have to fight very hard to stand still.

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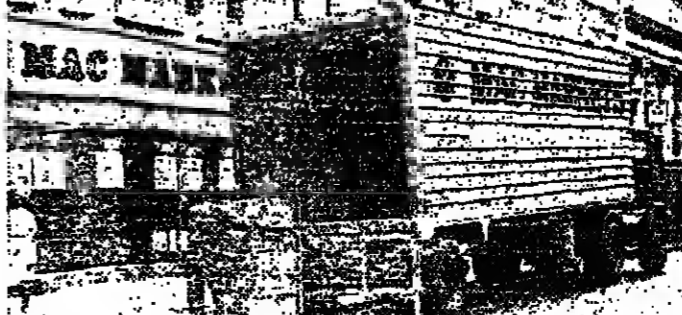


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GROCERY DISTRIBUTION II

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Industry under strain

WHILE THE squeeze on incomes over the past two years has meant that housewives have looked for more bargains and cheaper ways of feeding her family, the retailer has been able to adjust the mixture of products on the shelves while trimming overheads by reducing stocks.

For the manufacturer, however, life has not been so easy as he often cannot be so flexible. Volume production lines are just not profitable running at half pace, and canned meat factories cannot quickly be adapted to produce spaghetti.

Nor has the period been just one of lowered spending power. At the same time raw material prices have increased, often dramatically, landing rates, until recently, have been high, and on top of all this there has been the price code.

Here again the manufacturer has been left with much less room to manoeuvre than the retailer, who can manipulate prices within an overall gross margin rather than having to justify rises for each single product.

While it may be true that market forces have been far more effective than statutory controls in keeping down the price of groceries in the last 12 months, profit margins in the food manufacturing industry are still very low—some would argue that talking inflation into account the cash flow has been negative—and at the same time housewives' and unions complain that one of the major problems facing them is the continuing steep rise in the cost of the shopping basket.

So the food industry then also becomes a political pawn,

with even some calls for a complete freeze on food prices. At the same time food sales in volume terms are still falling, with a gap last year of some 10 per cent between the actual increase in retail turnover and the amount it should have increased to take account of inflation.

Meats

Between January and September last year there was a drop of some 15.9 per cent in the sale of cooked meats compared with the same period of 1975, 8.9 per cent in preserves, 6.4 per cent in meat pies and sausage rolls and 6.3 per cent in frozen vegetables.

Nor has life been any easier in some of the fresh food areas where, apart from the sharp drop in the consumption of potatoes when their price soared, there has been a steady decrease in the amount of good quality fresh meat and fish consumed. When cod, for whatever reason, is on sale at over £1 per pound then the cheap dish of yesterday, although still comparatively good value, has moved into a luxury class that many households can no longer afford.

This has led to a heartening increase for the pasta producers, whose products give good plate cover and a filling meal at a fairly low cost per head. There has been a steady rise in the sale of snack products, and it has been suggested that, for instance, the recovery in the sale of biscuits can in part be attributed to them being used as a meal substitute because they are cheap and filling.

Sales of food recovered slightly in February, but this

was partly due to January having been a poor month in the wake of the heavy Christmas spending period. With continuing forecasts of 18 per cent food price inflation this year and the possibility of this being further aggravated by substantial wage settlements at the end of Stage II, it is quite possible that the decline in food sales will be fuelled by more price increases.

In 1960 food sales accounted for 23.2 per cent of personal disposable income and 25 per cent of total consumer expenditure. This had dropped by 1975 to an estimated 16.6 per cent of personal disposable income and 19.3 per cent of total consumer expenditure.

This has hit both the manufacturing and retail sectors with, not surprisingly, the small man likely to be hit worst. Compared with 1970 the biggest growth sector has been in wines and spirits, followed by radio and electrical goods, cars, and motor cycles, beer and clothing. And savings, too, although recently slightly down, are still well up on the 1970 level in real terms.

This emphasis on the trap-pings of wealth has been profoundly worrying to the food manufacturers who have been unable to persuade the general public to trade up in times of prosperity and have been quickly affected by periods of austerity.

It is also clear that the increase in expenditure has been in areas which are largely controlled by the man rather than his wife, and there has been a strong feeling, expressed strongly by the Food Manufacturers' Federation recently, that extra pay is not being passed on to the housewife.

The squeeze in which the manufacturers have found themselves has even led to calls for the unions to take on the job of educating their members to

pass on a fair proportion of any wage increases instead of calling for further restraint on food prices.

Nor are they squeezed only from on top. Farm and raw material prices have continued to rise, as any chocolate biscuit manufacturer will testify, marketing conditions for all convenience foods have become more difficult and the cost of distributing them is still rising sharply.

Undoubtedly the greatest irritation for the food industry was the operation of the price code. Operating margins of 5.12 per cent in 1972 dropped away to 3.08 per cent in 1974, with a recovery to 3.82 per cent in 1975 and only a small further uplift last year.

The manufacturers complain that this has led to a reduction in capital investment, a slow-down in new product development and wide-scale redundancies as too many companies chased a shrinking market.

Claim

They claim that this position will be made worse under the provisions of the new code, which will allow prices to be frozen while an application for an increase is investigated. Although this should in theory only be for three months it could well stretch to up to six and the resulting loss of cash flow would be a further disincentive to invest.

And by picking on an industry leader to investigate, the Department of Prices and Consumer Protection can ensure that they can put a lid on a whole sector, for competitors could not afford to be at a price disadvantage in such a finely balanced market.

While some sectors, notably small specialists, have been able to look to exports to boost sales, the vast majority of U.K. manufactured food is for home

consumption, as is the case over the rest of Europe.

Although some irrita-tion has appeared as a result of Common Market policies, ably in the area of recipe control and labelling influence surplus production of raw materials, the main-tenance is still survival in the market.

Nowhere has this been poignantly pointed up more as in the market for cakes. U.K. has developed production methods which give a long shelf life to pack cakes for national distribution under well-known brand names. Tea, as a result, has declined in popularity as more and mothers go out to work, at the same time cakes have steadily in price as common such as flour, sugar and have all hit new peaks instead of being a daily chase it has become a real luxury.

The result has been that of the country's major duers, United Biscuits, W. McVitie and Cadbury cake names, has recently been agreement with R. J. McDougall to supply the with the same brand names for REM to sell.

Even giants like RHM, the can have their troubles, and of their workers are to be redundant in the canned fish and meat pastes departments of their Great-ham because of "increasingly cult marketing conditions re- ing in heavy and accel- erated financial losses."

Both cases are symptom- of the current struggle to cr- strength in a weak market on low profit margins. No- is gloom; there are still u- companies operating profit- and efficiently, but the ind- as a whole is feeling rat- defensive.

Stuart Alexander



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Voluntaries hold their ground

IT IS AN ironic fact of the food retailing business that some of the biggest companies in the industry have behind some of the smallest shops. The names of the big voluntary groups, like Spar, Mace and YG, may be familiar enough to the shopper but the names of the companies that lie behind them, like Lin-woods, Booker, McConnell and Wheatcraft, are better known in the City than they are in the High Street.

The shops which are members of the voluntary groups are still largely independently owned. But, both as a result of the way these small shops do their buying and of the takeover which have taken place in the wholesaling industry over the last few years, some of the wholesalers serving voluntary group members now number among the biggest grocery buyers in the country.

The voluntary group scene has changed considerably since the idea was first introduced to this country over 20 years ago. Then, the motivation was almost entirely defensive. What was at stake was the survival both of the small shop, faced with what then seemed like imminent destruction by the emerging supermarket groups, and of his traditional supplier, the independent wholesaler.

Independence

Bulk buying was seen as one possible solution. Wholesalers who were serving retailers in different parts of the country got together in companies which co-ordinated at least part of their buying. Like the wholesaler, the retailers retained their independence while agreeing to display a common fascia so as to make some limited form of promotion possible. Thus, small shops were able to continue paying for their goods on credit and having them delivered to the door in return for a gentleman's agreement that they would buy most of their goods from one wholesaler and that they would contribute a relatively small sum to the group's overall promotional budget.

The groups certainly achieved their first objective. The small shops who joined up were generally able to compete more effectively with the multiples than those who continued to use traditional wholesalers or, more recently, cash and carry. To-day, the symbol group shops sell around 12 per cent of the groceries sold in this country and they have held on to this share of the market at a time when the unaffiliated independents have continued to lose business.

Not all the shops who joined were happy with this new way of life—particularly as the more successful groups started to lay down tougher rules as to how their retail members should trade—but most felt the discipline was more than worth it. And, as the groups grew, so too did the services they offered.

The development of the groups also gave the wholesaler members a breathing space, though in the early days before the manufacturers started recognising the group's bulk buying as much in terms of the

power in their prices, and aggressive wholesalers used a breathing space as an opportunity to diversify into oil and catering. But eventually the tide of mergers which affected the small High Street chains several years earlier began to be repeated at the wholesale end of the distribution chain.

In the 1950s, the groups tended to see success as much in terms of the

CONTINUED ON NEXT PAGE

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GROCERY DISTRIBUTION III

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Multiples adapt to change

rain

of any consumption... consumption... consumption...

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HILLARY... LLARY... use a distinctive...

THE NIELSEN figures show... the multiple supermarket chains again increased their share of the total grocery market last year.

Within the multiple sector, however, will be many different types of operation and, as with this year's figures, the fortunes of the different groups may differ widely.

The "polarisation" has become increasingly fashionable in grocery retailing over the past few years. According to one school of thought, the trade will polarise between the very large superstores and hypermarkets, run by the big supermarket companies, and the smaller convenience stores, probably independently owned but buying their goods centrally.

Another school of thought, pointing to the success of two such diverse companies as Kwik Save and Marks and Spencer, believes that the trade will polarise between those offering a limited range of goods at deep cut prices and those offering a large range of high quality fresh foods as well as processed foods.

structure are again many variations, while other groups, like Budeaux, have deliberately gone up-market and opted out of the mainstream of the prices race in the belief that some shoppers will always be prepared to pay a little more for a really wide range of quality products.

Almost all the big groups see large stores as offering the best hope for the future. Carrefour, the Co-op, Tesco, Fine Fare, Asda, Presto and International and the Sainsbury/British Home Stores joint company are all in the market for sites which will provide them with at least 40,000 square feet of selling area.

Reasoning

Though views on the exact size of the ideal store of the future may differ, the reasoning behind the search for larger shops is basically the same. All the big groups believe that if they are to both operate profitably and offer the consumer the lowest possible prices, then they must be able to open stores which provide easy access for both customers and goods and which give them the space to sell a substantial range of the more profitable general merchandise lines alongside a full range of goods.

Again not all the groups agree as to where these stores should be located.

Indeed, none has a rigid policy as to whether the sites should be outside the towns (possibly on the fringe of green belt land) or in newly developed shopping centres. But all agree that they must have the space to provide adequate car parking and road network to draw customers from a wide area.

To succeed, these conversions need enormous increases in sales, but the success of Kwik Save, with its own unique style of discounting across a limited range of goods, has shown that it is possible to make money by cutting gross margins to not much more than half that of an old-fashioned supermarket.

Cutting

The other approach to discounting tried by a number of the big groups has been to try to emulate Asda by cutting margins across the whole range of food and non-food products normally sold by a supermarket. Allied Suppliers, for example, now has 73 Presto Stores (described by Covenham as the "biggest explosion in food retailing since the advent of the supermarket") with an average sales area of around 25,000 sq.

The result has been that the number of wholesale companies in the major groups has been more than halved. The 11 VG companies have now been reduced to four, while in the now-merged Spar Vivo group, over 40 independent wholesalers have been whittled down to 18.

Moreover, within this reduced number of wholesale members, certain large wholesaling companies have now come to dominate the big groups — if not in terms of voting rights, in terms of buying power.

Voluntaries CONTINUED FROM PREVIOUS PAGE

ber of wholesale companies belonging to the group as in terms of the number of retailers the wholesalers served. But gradually the number of wholesale members was whittled down. Old-established firms still out to neighbouring wholesalers. In some cases this was merely because the family wanted to get a cash sum for the business but in other cases it was a reflection of the fact that the kind of small depots which they had operated for years were simply not suited to the more sophisticated methods of distribution which were being developed.

The picture is complicated by the links which connect one wholesale buying group with another. Two of the independent wholesalers in VG, for example, are also involved in another voluntary group, Centra. The emergence of big wholesaling companies who dominate the other wholesale members of the group has made some of the smaller companies uneasy, though others welcome the additional financial backing such big companies can bring.

Most of the supermarket groups are only now formulating their policy towards discounting, and while some broad trends may be identified, the manner in which different

Last year, the Mace suppliers, Booker McConnell gained entry to Wavy Lioe, another smaller group, with the purchase of Kinloch (Provision Merchants), while more recently Linfoods has got a toe hold in VG through its acquisition of Gateway Securities and Wheatheaf has added to its dominance of the VG group by buying another of the VG wholesalers from Oriol Foods.

More takeovers seem likely in the future. The most obvious thing for an independent wholesaler to do if he wants to sell out is offer his business to another wholesaler in the same voluntary group.

The retail members of the voluntary groups certainly seem to have done better than their unaffiliated competitors over the last year. Even so, the share of the grocery market taken by the groups showed no increase last year. Indeed, according to figures from AGB, the symbol group's share fell slightly. Well, Spar's share increased while that of VG and Mace declined.

For these big wholesalers, Markets and Safeways, while

groups approach the same responses. The North, thanks not only to the success of Shoppers Paradise shops, for example, concentrate on secondary brands, while other limited range discount shops feature well-known brands. Moreover, most of the big groups are trying more than one approach. International Stores, for example, has a chain of limited range discount stores trading under the Pricerite name as well as the Payantake branches which cut prices across a wider range of goods and its own larger International shops.

In this situation one wonders how long Tesco will be able to continue adopting a nation-wide policy of offering stamps in all the brochures that trade under its own name. It has already started testing a non-stamp limited discount concept under the name of Adesga and it may be that when its contract with Green Shield comes up for renewal this summer, it will ask for rather more flexibility in the new arrangement than at present. If Tesco was to drop stamps in some of its stores and put the money instead into prices it could mean other groups would have to cut their gross margins rather than lose business. This could tip the delicate profit balance the wrong way for some of those chains now experimenting with discounting.

Future What is clear is that no one formula is likely to provide the solution for the future. Even now, a major supermarket group already trading under three names, is considering converting some of its larger stores to discount brands under another name. Trading conditions around the country vary markedly and demand different

Elinor Goodman

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GROCERY DISTRIBUTION IV

Achieving the right price

RETAILERS HAVE, along with the rest of industry, been complaining about the inflexibility of the Price Code since it was introduced in 1973. Now they have been hoisted with their own petard and presented with a package, the very flexibility of which is a major cause for concern. To add insult to injury, they have also got stuck with the old controls on net and gross profit margin ceilings for at least another year.

At the beginning of the year, there were genuine hopes that the whole of the Price Code would be scrapped and replaced by some system of random investigations into prices. But then, as the Government negotiations with the TUC became more difficult, it became clear that the unions would not tolerate the complete abolition of the present controls. While some companies had already become apprehensive about the prospect of controls with no hard and fast rules, the compromise which was eventually hammered out pleased very few people in industry—and certainly not the retail trade.

Proposals

Distributors felt that they had again been singled out for particular scrutiny by the Government. The new Prices Secretary, Mr. Roy Hattersley, had hardly eodeared himself to the trade by his actions in the bread industry—though to be fair to the Minister he was trying to restore free competition in this field—and his proposals for future price controls hardened this feeling of suspicion.

For while the obligation on manufacturers to justify individual price increases to the Price

Commission on the basis of increased costs was dropped, there was no change in the gross margin control for retailers. Under Mr. Hattersley's Price Commission Bill, both retailers and manufacturers will continue to be subject to the net margin control but as retailers have tended to regard the gross margin control on them as the equivalent of the allowable cost regime for manufacturers, they are incensed by what they see as unfair treatment.

This anger has only been slightly eased by Mr. Hattersley's statement that while the new system of re-vamped Price Commission inquiries are designed to be permanent, the margin control will have a finite life. Under the Bill, published this month, dividend and margin control will continue until July next year provided the unions agree to a pay policy. The powers could then be extended until 1980—again providing there is a pay agreement. After 1980, however, new legislation would be needed if the Government wanted to continue the restrictions.

But however unpalatable margin control may be to retailers, it is not really this element of the package which worries the trade most. For the great majority of retailers the net margin ceilings are academic both as a result of last year's relaxations and as a result of trading conditions. In the second quarter of last year, for example, food and drink retailers were only trading at just over half their maximum permitted net margin levels, while food wholesalers were even further from their reference levels.

And while gross margins in the food trade are thought to have been eased upwards at the end of last year, they are

still some way from their reference levels, though throughout the period of controls retailers have been much nearer their gross profit ceilings than their net profit reference levels. In the second quarter of last year, food retailers were achieving an average of 92.7 per cent. of their gross reference levels, and while there may have been some increase in gross margins since then, the changes made to the Code last summer gave all retailers more room for manoeuvre. Certainly, some companies may be up against their price ceilings in the next few months, but they will be in the minority.

Controls

In the longer term, the margin controls might represent a real restraint again, but more worrying in the short term are the new aspects of Mr. Hattersley's plans. These relate to the Price Commission's new role as an investigatory body and the powers to enforce the Commission's recommendations.

Mr. Hattersley agreed with industry that the old Code was far too rigid. But his concern about this lack of flexibility was different to that of industry. In his view the Code, with its complex rules, actually prevented him taking effective action on undesirable price rises and encouraged companies to raise their prices merely because they were allowed to do so under the Code. (The latter view is also shared by some industrialists). What he wanted to do was stamp on those undesirable price increases and trading practices while at the same time reducing the administrative web which surrounded the old Code. For this reason, he drew up legislation which would allow the Price Commission to examine companies—and sectors

— even if there was no breach of the old Code.

These investigations will take two forms. The Price Commission will itself be able to initiate inquiries into particular companies. In the case of manufacturers, these investigations will probe the reasons behind a particular price rise. Proposed price increases may be blocked while the Commission is examining them—though there is the power to allow part of the rise to go through. On the Commission's recommendations, the Minister will then have the power to freeze the price for a further period. This means that manufacturers' price increases could be frozen for a year. In the case of distributors, the Commission will be able to examine the margins of individual companies and recommend a freeze where it considers necessary.

The other kind of Commission inquiry will be more far ranging. As a result of a reference from the Secretary of State, the Commission will be able to look at prices within a sector of industry. These investigations, which will take an unspecified length of time, may also cover the margins made by retailers selling the goods in question as well as the prices charged by manufacturers. Again, the Secretary of State will have the power to enforce the Price Commission's recommendations.

Certain safeguards, still to be negotiated, will be built into the system so as to protect companies making a low profit from the effects of a Price Commission recommendation, but the whole system will be far less precise than the old controls. Instead of judging price rises against a set of tightly defined rules, the Commission will have a far vaguer set of criteria to work with. Though some of

these criteria would appear to support Mr. Hattersley's claim that he has no intention of damaging industry and preventing any recovery, the worry is how they will work in practice.

Safeguards

The question, which has been asked repeatedly over the last few months by both the Confederation of British Industry and the Retail Consortium, is how can companies plan—and invest—for the future if they do not know whether they are obeying the rules or not.

Publication of the proposed safeguards may clarify the situation slightly. But given the fact that Mr. Hattersley does not want companies to be able to hide behind price controls, he is highly unlikely to agree to the kind of safeguards industry will ask for. Moreover, the safe-

guards are likely to be crude instruments. It is difficult to see, for example, how the Minister could agree to a safeguard level which would protect food retailers from being forced to reduce their profits to historically low levels if it meant that food wholesalers—who traditionally work on much smaller margins—would be effectively exempted from the controls.

Much will depend on the membership of the new Commission and how it sees its remit. Only after it has published a few reports will it be possible to get some clearer idea of how the new system will work in practice.

The controls certainly have the potential to damage the food industry. And given the political importance of food, it seems inevitable that the Price

Commission could, say, demand a reduction in the margins across the board, particularly as most big retailers presumably prefer to cut their margins voluntarily rather than attract the Commission's attention. The Commission could, of course, freeze the price of particular product while it might also investigate the profits of some of the small distributors who do not have to submit their figures regularly.

The Commission will be independent of Government—the company investigator which will be instigated by the Commission itself, will not presumably be politically motivated. Mr. Hattersley has repeatedly said that he has no intention of harming industry but political pressures in the future may force him to take action which food retailers would regard as damaging. If one thing, however, the law will be glad to know is the officials at the Department. Prices still wince at the phrase "Price Check" and that they are no plans at the moment to repeat this kind of exercise.

But while the food industry is obviously not going to escape the Price Commission's scrutiny, Mr. Hattersley's advisers do seem to believe that food retailing is generally very competitive. As long as this view holds—and is accepted by the new members of the Commission—it is difficult to see how the

Small men fight on

NOT SO much a business—more a way of life, if you don't mind. The small independent grocer has been under siege for many years now but despite predictions that he will be killed off by the big, bed supermarket there are still many of them left, there is still a steady supply of people willing to come into the business and, in some areas, the transition into a convenience shop means that Britain's small shopkeepers are making a comeback.

That is not to say that there has not been a sharp shake-out in the number of retail outlets over the past 15 years and this is probably still continuing. The small grocer is still accounting for a smaller proportion of the total volume. He lives in a sellers' market in relation to manufacturers and a buyers' market at retail level.

percentage terms this means that independents, including those in voluntary groups, now account for 81.7 per cent of the outlets, compared with 77.3 per cent in 1961.

But their share of the trade is now only about 35 per cent. as the swing to bigger and bigger outlets continues and the price-cutting war takes a few more small men with it every week. Nor is it always the small man. The opening of a hypermarket can also quickly depress larger stores in the vicinity.

Some of the small shops which have closed have done so because their immediate post-war owners have now retired or have sold them to larger groups, others have been redeveloped and have been outgunned by multiple money. But some are making a fight of it.

Independents are divided unequally into the rather high-

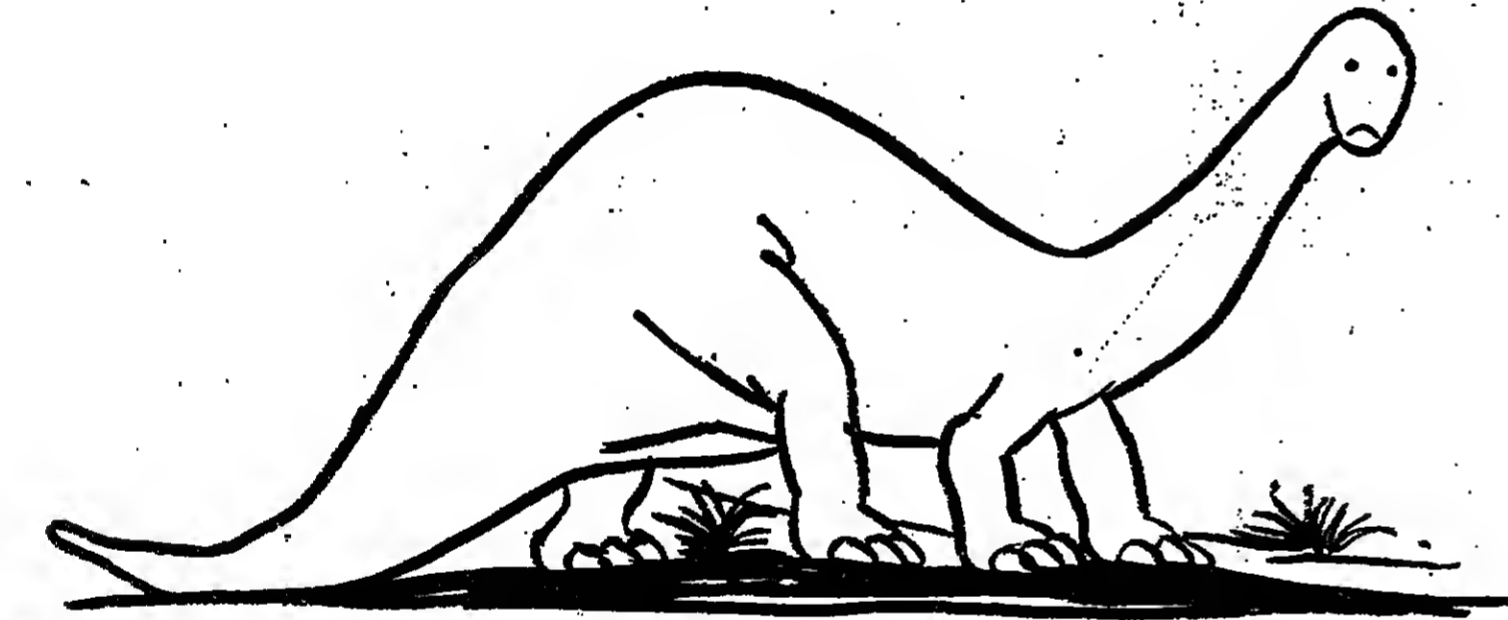
class specialists shop, usual calling itself a delicatessen and corner shops which have become convenience stores. Some delicatessens do well, some very badly depending partly on the capability of the owner and partly on the mix of goods to the mix. But overheads are deceivingly high and there are far more hamburger openings than delicatessens.

The great majority of independents are old-fashioned grocery shops, family run and often serving only a very small community. In recent years they have had to expand their range of goods being sold and in some cases the number of hours of trading.

Some 87 per cent of all grocers now stock frozen food and 81 per cent tobacco products. Nearly 6 per cent sell fresh meat and 2 per cent fresh fish. And a surprising 6 per cent sell clothes. In addition

Other types of grocery outlet have also declined and the total now is estimated at 83,000. In

CONTINUED ON NEXT PAGE



Will the supermarket go the same way?

As the dinosaur failed to discover, the bigger you get the more there is to look after. To survive you have to adapt.

How are supermarkets facing up to today's rapidly changing conditions?

Accurate information. You don't need us to tell you that fast, reliable, accurate information is the key to any successful business today.

Up-to-the-minute information on stock, turnover, line profitability, check-out performance—all these are the vital life blood of any supermarket. And the bigger it gets the more important this information becomes. But you need to gather it quickly, simply and economically. Where better than at the check-out.

We at NCR have used our long experience of retailing and computers to design a system specifically for the need of the supermarket.

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check-out terminals to provide a complete information system.

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Not only will the system grow with your needs, but even more important it can adapt to meet changing conditions.

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Spar is the most successful voluntary trading retail group in the country. Consequently it's become the biggest. And that's largely because we approach shopping from the point of view of the shopper. Our shops are usually situated locally to save on petrol, fares and time. They're often compact, too—and always friendly. In fact, Spar customers treat us like a friend, while we treat them in return to some of the most competitive prices going. We can do that because behind every Spar grocer's smile there's the buying power

of 4,000 grocers like him. And together they account for 4.2 per cent of the total grocery turnover in the country. That makes special offers possible—like our "Amazing Savings." Also high quality Spar brands that save shoppers £1 in every £10 compared across the range with proprietary brands.



To: Michael Crane, NCR Limited, 206 Marylebone Road, London NW1 6LY.
Please show me how the NCR range of electronic sales registers could increase my profitability.

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GROCERY DISTRIBUTION VI

Big stores plead for acceptance

IF THERE has never been a facilities adjacent to the Government policy, you cannot talk about changing it. Just as the odd planning consent, losing plenty, and hope the legal and other planning costs on the losers don't destroy the point of the hypermarket exercise.

Such "jaundiced sentiments" are common at present among a handful of retailers seriously interested in developing very large stores. A year ago they would have said they were confident that they were winning their point, that Government accepted, however tacitly, that hypermarkets could cut the cost of living, that they usually did not cut the business of efficient town centre retailers, and that most transport and environmental objections were solvable.

Now, attitudes have changed. "One must accept that the Government is disposed against hypermarkets," is among the gentler verdicts of those monitoring reactions to appeals. Partly this shift is read into a handful of the most recent appeals—at Chester (Asda), Chichester (Sainsbury), Heathfield, Devon (Tesco) and Sandford, Oxford (Co-op). All have been turned down and at Sandford Mr. Peter Shore, the Environment Secretary, overruled the local inquiry inspector's decision.

Partly the real or imagined change in attitude is regarded as inevitable with the change in personnel at the top of the Department of the Environment. Mr. John Silkin, who held the planning brief, has gone (with-out a specific replacement or planning), Mr. Crosland has died, and his successor as Environment Secretary Mr. Shore has made the revival of the inner cities his main policy plank.

Logic appears to demand that if he wants to see the economic life of the inner cities revived, he is not going to favour the granting of planning consents for hypermarkets on greenfield sites on the fringes of the conurbations, the sites many retailers want partly because large enough tracts of land are only available outside the centres, and partly to increase catchment areas.

What could he called the main inner cities' view on hypermarket planning has already been put to Mr. Shore by the Association of Metropolitan Authorities. Hypermarkets, it said, did pose a threat to existing shopping centres. National policy should avoid "stripping comparison shopping from shopping centres."

Shopping facilities should be provided alongside other community and social facilities, said the Association, repeating its commitment to the pattern of retailing which has developed over the years to meet the needs of communities of different sizes.

Two specific points made by the Association, representing all the large conurbations on whose outskirts the hypermarket operators want to be, particularly point to these operators.

First, the association said that it felt strongly that the location of shopping facilities was a proper matter for consideration in local authorities' development plans, a sensible, even innocuous statement. But with the ambitious and detailed programme for land use studies and long-term acquisition plans laid down around the Community Land Act, retailers quite justifiably fear that applications will be turned down because larger planning policies are not yet completed, with location decisions getting postponed for 600-600 depots, many of them small converted warehouses, mills, or cinemas, covering 10,000 square feet or less. Now there are probably less than 50 still functioning, and any new depot that does appear will be approaching to be accessible by public transport. In the case of very large stores proper provision of the big groups that now dominate the industry.

for the moment, it is the old local authorities and, if Note, now in force for five years, which is still the ruling document as far as the authorities are concerned, and the tone of that Note appeared to be against hypermarkets.

In the meantime, just how far is the planning battle on very large stores "a game without rules," the view of a leading chartered surveyor involved in the field (Healey and Baker), or "a bit like the Grand National—there is no overall policy but a series of precedents have been established—you can fall at any fence" (Wheatstreak Distribution and Trading, which operates the British Carrefour).

It has always been extremely difficult to discern any lasting trend in the record of appeal decisions. A series of favourable decisions arrive and retailers and their planning advisers think the breakthrough with Government opinion has been made. A handful of rejections and gloom sets in, as at present. In each of the four recent cases quoted above some impartial experts take the view that rejection, on various different grounds, was always highly likely. Last year a clutch of favourable decisions went through and there is no reason why the swings-and-roundabouts pattern should not repeat itself.

Besides, the appeal statistics prove little. Many hypermarket or superstore applications (depending on definitions of size) are only dealt with at the local level even under the old Note. And many cases are not pursued to appeal, because of the time and expense involved. This attitude is typified by Fine Fare, which has managed to put together a development programme—12 current projects with consents granted and an average sales area over 50,000 square feet—to rival even Asda's, without scarcely ever going to the lengths of the appeal procedure. "We believe in planning control," says the company, which apparently finds enough satisfactory sites on which there is likely to be no trouble from

the greenfield site which it is if it shouldn't get a permit fairly quickly, then we are concerned, and the tone of that Note appeared to be against hypermarkets.

Perhaps two general areas of controversy which all generalisator since every a quite bit of rival retailing, or environmental problems worth making.

One is that the traditional view that the local authorities south discouraged markets and those in the encouraged them—less initially powerful retailers, more spare land no planning problems, a natural interest in shopping—this view appears to be breaking down. It would argue that the so-called "dangerous territory" hypermarket operators (SavaCentre, as well as Waton New Town, will by 1 he opening 153,000 sq. ft. Basildon and 130,000 sq. ft. Hemstead Valley). It seems that many southern judges against superstore going.

The second general might be summed up by saying that the inevitable risk of hypermarkets really do significant savings for the wife, then all the planning pleads imaginable will in the end, prevent the ex around 130 becoming a hundred given time. The of savings is what the operators have to continue to press.

Which leaves unanswered more immediate point whether the present Environment Secretary will slow development over the next years by a rigid policy of out-of-town stores. Mr. Moore, chairman and managing director of Wheatstreak, of the operators convinced has the test case. He is the results of an appeal at Colchester, inquiry having been heard in autumn. "If Mr. Shore goes against low prices," Mr. Moore, "if he is really an old-fashioned town shopping, then he'll turn one down."

Quentin Guirdi



We're beating inflation by expanding.

Food Brokers Limited came into being as an alternative marketing force with the aim of helping non-competing manufacturers to maintain their keen prices. This we did, and continue to do, by providing a complete marketing service at a fixed percentage cost.

The success of our system has been outstanding; and the increase in case-volume of 24% in 1976 over the previous year speaks for itself.

The total package comprises marketing, selling, merchandising, warehousing and physical distribution, administration, cash-collection and accounting. We now handle over £35 million-worth of food, non-food, drink and confectionery on behalf of our clients.

From our headquarters in Esher, Surrey, we provide the expertise which is essential in the selling of high-volume national brands.

Food Brokers Limited is one of the fastest and most efficient distribution networks in the country. Behind it are two separate sales forces, covering the Grocery and Confectionery trades, which make up a 240-strong force of top-flight sales personnel and merchandisers.

Backed by one of the most advanced computer complexes in the country, and achieving remarkable economies, Food Brokers Limited employs methods of analysis and planning which are denied to many manufacturers who operate alone.

We could be doing for you what we are already doing for Babycham, Coca-Cola, Green Giant, Primula, Tic-Tac, Van Melle, Smith Kendon, Fullers, Lift, Swel Foods and Hiram Walker, as well as Kiwi, TCP and many other non-food brands.

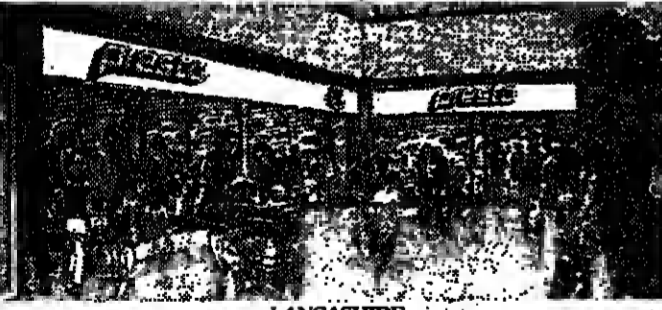
The more businesses we can help, the more efficient our service becomes; and in terms of cost-saving alone, this must be of vital importance—in today's uncertain economic climate, or the hoped-for brighter tomorrow.



Britain's leading brokers

For further information, please contact Desmond Cracknell, Chairman, Food Brokers Limited, Milburn, Copses Lane, Esher, Surrey KT10 9EP, England. Telephone: Esher 6689L.

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What we're looking for

- Our requirements are for sites:
 - Over 25,000 sq. ft. sales area.
 - Sufficient car parking space.
 - Easy access from areas of high population.
- If you know of any sites, existing stores or forthcoming projects please send details to us.
- And rest assured that you will be dealing with a company whose record both financially and socially is second to none.
- Write to: Peter Howitt, Property and Development Director.

We conducted our own survey. And now, if the neighbourhood wants it, we've got it.

Research told us we'd got our marketing strategy right. Our policy is to meet all the needs of the neighbourhood.

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GROCERY DISTRIBUTION VII

The specialists move in

ALL the distribution vans travelling in the UK today... advice: "Companies should think very carefully... before they allocate scarce resources to complex areas where the outside specialist can do the job as well or better... bearing in mind that only the physical operation is contracted out; the client retains control of policy."

At any rate was the diagnosis some months ago, of Nicholas Barber, former managing director of Cory Distribution... the National Enterprise Board... there is no reason to suppose that the situation has in any way improved. Clearly, all is not well in the distribution industry's misty future.

Structure Had SPD kept the structure of its organisation unaltered, it would clearly have suffered. Instead, it took advantage of a changing situation. The move to larger drop sizes produced increasing efficiencies. The growth of multiple trading introduced many new product areas to the traditional grocery supermarket, and this offered new opportunities for SPD to develop expertise for delivering such things as liquor, textiles, motor accessories and hardware.

The distribution market is still highly competitive and there is undoubtedly substantial surplus capacity available within the industry, as Stewart Morrison of Associated Deliveries pointed out recently. But this situation has its own dangers, inasmuch as these competitive conditions have tempted some distributors to cut their charge rates in an effort to get or retain traffic. In Stewart Morrison's view, some of the rates which are now being quoted are insufficient to cover the replacement of wasting assets such as vans and fork lift trucks. "As an example," he said, "a van which cost £1,800 seven years ago, will cost £5,800 to replace today, and unless the additional capital is generated from profits the money will not be on hand to replace these vital assets as they become time-expired."

specialisation such as packaging, handling systems or equipment. They have moved into textiles and clothing, by taking a shareholding in Tibbett and Britten; more recently they have turned their attention to china and glass, and launched Carrycare. More relevant, as far as the grocery trade is concerned, is their establishment of Unicold, set up early last year as a result of the increasingly obvious split between the needs of the food industry generally and the frozen business. The unit with Birds Eye (Unilever subsidiary), SPD, with some 40 depots occupying more than 11m. sq ft, now sees itself as offering a "total physical distribution system" on the one hand, and dedication on the other hand to the special needs of a traffic or customer through specialisation and improvements in service, packaging, insurance, speed, or handling technology. Some distribution service companies have built up special relationships with clients—Cory and Sainsbury is a case in point. They started discussing the arrangement as early as 1971—in effect Sainsbury were Cory's first client. Starting with Sainsbury's non-food lines, Cory have progressively taken on non-perishable food lines, then hardware, and then beers, wine and spirits. The comparison the Cory operation offers to Sainsbury's own in-house operation helps them to introduce a competitive element to keep down the costs of both types of distribution.

"Distributors who are cutting their rates below the safety level will just not be in business two years from now." Another glaring anomaly is that distribution is now possible normally only between 8.0 a.m. and about 3.30 p.m. each working day which, with a total of 168 hours in the week are the busiest which could be selected. His assumption is that "Operation Moondrop" will have to be revised; and although the labour cost would be greater for working unsocial hours, asset utilisation would be greatly increased.

Continued from previous page... ties in... Cash and carry... direct (and such a practice getting steadily less profitable) there is even more potential here. Other retailers likely to see the local cash and carry as their main source of supply are "CIN's" hardware stores, and perhaps confectioners and tobacconists. One problem with the decline in real growth is that it encourages some cash and carries to let in the public. An AGB survey suggested that 1.5 per cent of consumers questioned claim to shop at such depots. It is hard to draw the line between the legitimate card holder who has a boarding house and the woman shopping on behalf of a consortium of friends, and when extra volume is needed it requires a tough depot manager to be scrupulous. Indeed the whole legal position of the depots is rather in a limbo, which accounts for the relatively few new planning applications going through. But as retail prices go higher and higher, the Government can scarcely take a tough line on those depots which might eventually switch from trading with a declining number of retailers to opening up as a discount operation direct with the price-conscious public. If cash and carries face a more uncertain future the achievement of the wholesale industry in adapting to an entirely new way of business, and in persuading retailers to get into the habit of two or three weekly visits to the depot, is nothing short of miraculous. Traditional wholesalers delivering to the shops hardly exist except in remote rural areas and where specialist lines are concerned. Wholesalers now are flexible operators, joined together in large, often anonymous, groups, and often involved in other activities. In particular the voluntary groups are the major force in the cash and carry world. This can lead to a conflict of interest. Should the voluntary groups concentrate on their group members, trying to increase the amount of goods that they take through direct deliveries, or should they try to get them to use the local cash and carry which is linked to the group? How much should the voluntary group-owned depots get out for custom from non-group retailers? Incision in this area is one reason for the mass of names, and obscure links, between wholesaling and voluntary group organisations.

Antony Thorncroft

At home and abroad... Eurolink is at your Service... Eurolink's Expertise in designing and installing Superstore interiors for the leading U.K. retailers has been extended to the export market, in particular the developing countries. We have expanded our design, consultancy and manufacturing facilities here at Northfleet, Kent to provide an even more comprehensive service to prospective clients at home and abroad. EUROLINK Eurolink Merchandising Systems Ltd., Unit JS, Northfleet Industrial Development, Lower Road, Northfleet, Kent. Telephone: Gravesend 56334 Telex: 965439

The Daily Telegraph Cashing-in trading stamps means 2 1/2 p.c. shopping discount By MICHAEL HACKETT, City Staff CONSUMERS really do get a good deal with trading stamps, concludes a report just published. That may account for the ending of the long arguments about them and the growing number of collectors. A study... finds that 1976 do not put up prices just because they offer stamps.

THE TIMES BUSINESS NEWS THE TIMES THURSDAY DECEMBER 9 Forecourt rally by Green Shield Trading stamps 'to stay' THE FINANCIAL TIMES The Financial Times Tuesday February 1 1977 Trading stamps 'to stay' By Kevin Dineen, Editorial Staff THE FINANCIAL TIMES of trading stamps... THE U.K. has not yet reached... trading stamps... Green Shield stamps...

Evening News Trading stamps 'give a fair deal' TRADING stamps are here to stay... Well worth giving - Now more than ever! GREEN SHIELD stamps

VG The National Group of Convenient Stores Relunched October 1971-2800 stores 1976-Record sales of £238m from 3386 stores VG the Convenient Store - successfully serving the local community VG The Convenient Store - Firmly placed for the 80's in the path of polarisation between very large and small foodstores

Techniques to woo the customer

THE PRINCIPAL protagonists in the grocery price war are retailers who aim to attract housewives into their stores with money saving offers.

Money saving offers represent 80 per cent of all in-store promotions because retailers believe they must remain price competitive. Paradoxically, however, it appears that price reductions are now so numerous that housewives have become disillusioned and confused.

Conversely, Fine Fare emphasises the value-for-money of its own-label products. Instead of running a two week programme of money offers featuring 30 or 30 brands, Fine Fare maintains constant price cuts on a wider range of products, especially own brand. The store has worked hard to establish the reputation of offering a large number of high quality, low price goods.

Next Monday, for example, Mace is spending £150,000 to promote its own label goods in-store and supporting it with a national, four week television and radio campaign.

There are the potential difficulties over promotion, over trade deals, over pricing, but such are the financial advantages of using a food broker that some of the leading packaged goods companies are placing brands into their care.

Certainly retailers who give stamps maintain that the practice does encourage loyalty among shoppers.

It seems unlikely that we shall see the demise of trading stamps due to an increase in price promotion. In the stores that give stamps both techniques are used together successfully.

In several Common Market countries the practice is actually banned. However, the ECU report predicts that attempts to unify U.K. and EEC law governing stamps are unlikely to succeed and will therefore leave Britain free of severe restrictions.

Julia Pij Associate Editor Marketing Magazine

The number of competitors, for example, is declining. The displays that accompany contests are costly and time consuming to erect in-store, and retailers are becoming increasingly cynical about how well they motivate shoppers to buy the products with which they are exclusive to their store.

Likewise, recent research into housewives' shopping habits revealed that price was not the reason why housewives chose to shop in a particular store.

Prices in themselves do not seem to be sufficient to encourage housewives to move from one chain to another.

LAST MONTH 23 food brokers from all over Europe met together and formed the European Food Brokers' Association (EFBA). This is additional evidence that food broking is making another effort to erase any remaining doubts about its usefulness, and to establish itself as an important force in retailing.

In the U.S. 65 per cent of all groceries is handled by brokers; in the U.K. not much more than 60m. of sales arrive in the stores through food brokers. But the business is expanding steadily, and the companies in EFBA which are British include Food Brokers, Jenks Brothers, McCaul Peahody, and Food Well.

example, Food Brokers distributes all the non-retail bottles of Coca-Cola, as well as handling Babycham and Kiwi polish in the grocery trade.

Finally, some food brokers specialise in the produce of certain countries - McCaul is an important distributor of Australian and American canned fruits and dried fruits, or certain categories - Parrish and Fenn deals in delicatessen lines. As yet food brokers get most of their work from peripheral products; they rarely are entrusted with the top selling lines passing through major outlets, perhaps because of the trouble it will cause a company to dispense with its entire sales force.

impressed by in-store price cuts. Although retailers have attempted to establish individuality through advertising, perhaps it is that they considered more creative sales promotion at the point of sale. This could have the effect of increasing store loyalty making shopping more pleasurable for housewives.

The food brokers

Creative

Keith Bantick, Joint Managing Director of sales promotion consultancy Promotional Campaigns, says that retailers' preoccupation with price has caused them to lose sight of the need to create interest for shoppers in their stores.

In 1976-77 Mace increased its sales by 17 per cent, as a result of an image building effort. It began with a consumer survey among 4,000 Mace outlets in 1976 which set out to define the Mace shopper and her needs.

As the cost of operating a sales force rises - to around £10,000 a year just to keep one man on the road - the attractions of using a food broker seem more apparent to British manufacturers, as well as to overseas companies attempting to break into the U.K. market.

Basically food brokers take over from a company the problem of marketing their merchandise. Acting either as agents, or actually taking title to the goods, they collect from the factory or the warehouse and handle the entire sales operation.

Another substantial source of business is looking after the British market for imported foreign lines. Food Brokers two biggest clients are Green Giant, the American canned vegetable manufacturer, and Ferrero, the Italian confectionery group which has Tic Tac as its main brand in the U.K.

This is a pity because the main food brokers are now well-established companies. Food Brokers, run by Desmond Cracknell, has been in business for 15 years and handles more than £30m. of sales.

Cracknell is taking more and more title to goods instead of acting as an agent. In the same way his biggest competitor among the food brokers, Jenks Brothers, is building up commission business. It is, for example, selling Kings Royal whisky for Teachers on commission. All told Jenks reckons to process over £18m. worth of sales this year.

Rising costs, especially, cost of keeping a salesman on the road, are pushing things away of food brokers. It is arising that given their price success - they very rarely avoid a client - they have not grown more rapidly. It is not so in the case of the service, of acceptability with retailers, or of manufacturers' confidence in their own sales teams and trust such a large part of the business to an outside firm.

Antony Thorn

In 1976 the volume of food sales dropped by over £35 million. Housewives were forced to look carefully at their shopping expenditure. Competition amongst retailers became fiercer-but...

the Co-op increased market share - for the 4th year running.

1973 12.6% 1974 12.8% 1975 13.2% 1976 13.5%

Here's why:

Over 55% of housewives shop regularly at the Co-op (i.e. at least once every 4 weeks - Source - T.C.A.); more than at any other food retailer.

Table with 3 columns: Retailer, 1975 %, 1976 %. Rows include Co-op, Sainsbury, Tesco, Allied, Asda, Spar, Fine Fare, International.

Over 20% of packaged groceries are sold through the Co-op: more than by any other two retailers combined.

Only 2 out of the top 8 food retailers actually increased their market share in 1976.

More younger shoppers

The Co-op has increased its number of younger shoppers (Source - Gordon Simmans G.I.L.): nearly half of all housewives aged between 25 and 35 now shop at the Co-op.

National coverage - with superstores multiplying

Only the Co-op can offer truly national coverage - and also offer 21 big new superstores with more superstores planned and under development than any other retailer.

The market for your products

The Co-op isn't simply a market leader - it's an expanding market in its own right, unique in its comprehensive coverage. A special and very successful market that will repay marketing attention and investment, as befits Britain's biggest retailer.

Co-op success and the manufacturer

In case-history after case-history, manufacturers have found that a Co-op promotion increases market share during the promotion - and then sustains it at a higher level than before.

The Co-op has proved itself to be the most cost-effective sampling opportunity available to any manufacturer.

Manufacturers can operate tailor-made promotions with the Co-op. For example, more than 40 of Britain's leading food manufacturers have participated in the Co-op's Royal Silver Jubilee Celebration this year - with significant successes.

Your caring sharing Co-op

POLITICS TO-DAY: NORTHERN IRELAND

BY DAVID WATT

Hope for the centre

IT IS three years since I last came to Northern Ireland and in the last three years we have seen three years as an opportunity to encompass more than 7,000 shootings, 3,000 bombings, incidents, and the deaths of 550 civilians and nearly 150 soldiers and policemen...

direct rule is administered on the ground — namely a network of local functional boards appointed by the Government — is cumbersome and deliberately undemocratic but it has succeeded in its main object of preventing sectarian discrimination in sensitive areas like housing...



Rev. Ian Paisley addresses a crowd outside Portadown court last Tuesday in support of the Ulster Service Corps members charged with setting up road blocks in border areas.

A sign

Perhaps it is for some clear sign that the politicians have been waiting. Seven years of almost ceaseless search for political compromise in Northern Ireland have been followed in the last 12 months by a period of complete political immobility...

Local elections

Given this strategic choice of trying to bang heads together (and making tension, not to say universal obloquy) or standing aside and letting the political structure crumble if it must...

Attraction

There remains a possibility, which might have some immediate attraction to both sides, of setting up an Assembly which would be elected to advise and to some extent oversee the operation of direct rule...

Letters to the Editor

Sterling and trade

From Mr. M. Brando. Sir—Mr. Mizrahi (April 18) shows the importance of choosing an appropriate base when using inflation as a guide to the value of sterling...

Put a tax on caravans

From Mr. J. Bruce. Sir—I fervently endorse your correspondent's long-overdue recommendation that caravans should be taxed. It is illogical and unfair that they should contribute nothing to compensate for the congestion they cause...

Holidays on wheels

From Mr. P. Yeo. Sir—I read with interest Mr. Rowe's letter (April 20) suggesting caravans should be taxed. It seems to have escaped his attention that there is a 121 per cent VAT (25 per cent until recently) on the purchase of caravans...

Travel by rail

From Mr. G. Hoffer. Sir—One does not expect the Financial Times to draw misleading inferences from statistics, and I was surprised therefore to see in 'Men and Matters' by Observer (April 15) the statement that rail services 'have declined in quantity by just about 50 per cent in 20 years'...

Explain profits clearly

From Mr. L. Stafford. Sir—Over many years you have published useful financial yardsticks indicating the investment quality of companies, such as p/e ratios, dividend yields, dividend cover and asset backings, etc., and it is to be hoped this will continue...

Burdens not reduced

From Mr. F. Stark. Sir—I have an axe to grind regarding taxation or not of caravans, but it amazes me that anyone can suggest the addition of a new tax will alleviate the burden on the payers of an existing tax. It never does anything of the kind...

Courteous road users

From Mr. L. Cleminson. Sir—How attractive it always seems to advocate a tax on something else. Your correspondent Mr. Rowe (April 20) extends this advocacy to caravans...

Energy in the U.S.

From Mr. M. Sinks. Sir—The new U.S. President has now told his country that they are prone to waste energy. This tendency, he is reported as saying, may in a very short time hurt not only the U.S. but also the other industrial nations...

Valuing works of art

From Mr. G. Levy. Sir—Mr. Hugh Leggitt rightly points out (April 21) the difficulty of putting a value on major works of art for capital gains tax purposes. Indeed the arbitrary nature of such valuations dating back to 1963, which at best can only be a rough guide to the value of the work...

The baiting season

From Mr. A. Simons. Sir—I see from Mr. Rowe's letter (April 20) that the caravan owner baiting season has started earlier than usual. Generally it comes in with the pucks...

Price freeze veto

From Mr. J. Christmas. Sir—Was not the incomes policy introduced as a means of controlling inflation—stabilising prices? If Mr. Jones and the TUC feel unable to support the means but will the end should not, this be welcomed and an appeal made to examine the implications?

Where in the world will you find Standard Chartered?

In this Liverpool Street is a Standard Chartered branch. Like all our other branches in the U.K., it deals with any of our 1,500 branches and offices in 60 overseas countries, whichever one is right for your particular assignment...

Advertisement for Standard Chartered Bank Limited. The ad features a large, stylized graphic of a globe or a similar abstract shape. Text includes: 'Standard Chartered Bank Limited helps you throughout the world', 'Head Office, 10 Clements Lane, London EC4N 7AG', and 'Assets exceed £6,680 million'.

Price freeze veto

From Mr. J. Christmas. Sir—Was not the incomes policy introduced as a means of controlling inflation—stabilising prices? If Mr. Jones and the TUC feel unable to support the means but will the end should not, this be welcomed and an appeal made to examine the implications?

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Dunlop Hldgs. tops £73m.

FORECAST at halfway, the £23m. improvement to £21m. pre-tax achieved by Dunlop Holdings in the first half of 1976 was maintained in the second half, when the increase was \$2m. to £25m. This gave the group £73m. for the year, against £50m. for the year against £50m.

On current trading, the directors say that the first quarter was generally better than in the first quarter of 1976. It is too early to forecast the outlook for the year, they add. But the product diversity and worldwide spread of the group's businesses should enable it to maintain good progress.

Sir Reay Geddes, the chairman, says that after three years of consolidation the group is on the move again and in the right direction. Starting earnings per 50p share were 19p against 14.7p, and the first dividend of 2.5p makes the total 4.5p compared with 3.57p. The directors state that this recommendation is made in accordance with the policy of steadily increasing dividends as conditions allow.

The increases to profit were widely spread with an overall improvement in sales margins, it is stated. Operating profits were higher both in the U.K. and overseas. The proportion earned overseas was two-thirds. In Dunlop Tyre and Rubber Corporation in the U.S. achieved significantly better results. On the other hand, there were trading difficulties in Continental Europe, notably Germany, where Dunlop AG suffered an attributable loss of £1.2m. members are told. An improvement in Germany is expected this year.

The rise in direct exports from the U.K. was £126m. (£98m.), an increase of 26 per cent. Capital expenditure during the year amounted to £33m. (£29m.), reflecting a new phase of active expansion throughout the group, members are told. Mr. J. Campbell Fraser, group managing director, says that capital spending will rise to £75m. this year, of which £24m. will be spent in the U.K. and £51m. in the U.S. On balance, Mr. Campbell Fraser says that existing and potential facilities are more than adequate to meet foreseeable requirements.

Net current assets increased by £5m. to £27m. in December 31, but one-third of this was due to exchange differences arising on translating overseas currencies into sterling, it is stated.

Most of the growth during 1976 in fixed and current assets has come from funds generated by the business, leaving about 20 per cent. financed by increased external borrowings. After adjusting for differences arising from foreign exchange translation, say the directors, the proportion of debentures and loans in net assets employed at December 31 has risen slightly to 34 per cent. (32 per cent.).

Under current cost accounting additional depreciation of £3m. and increased cost of sales of £24m. reduced the operating profit to £20m., members are told. After adjustments for tax and minority interests, the profit attributable, excluding holding gains, was about £7m.

A divisional analysis of operating profit shows (in percentages) tyre 32 (60), consumer products 13 (12), industrial products 23 (18), engineering 8 (8), and supply 4 (4). A geographical analysis shows (in percentages) U.K. 34 (31), other EEC 8 (14), Americas 19 (16), Africa 15 (19), and Asia and Australasia 24 (22).

Combined trading results and minority interests of the companies in the Dunlop Tyre and Rubber, including Industrie Pirelli, were about one-third higher in 1976, it is stated. Sales improved from £1,400m. to £1,600m. and pre-tax profit was ahead from £27m. to £29m. Net profit was £71m. (£55m.), and the Dunlop share of attributable profit was up from £21m. to £19m. The improvements were widely spread, but were most substantial in Brazil and Argentina, members are told.

Industrie Pirelli, whose results do not affect those of Dunlop Holdings, showed a marked improvement, the directors state. Sales were up by a third and a small profit was earned.

See Lex.

Statement, Page 33

Holyrood Rubber over £0.1m.

Taxable profit was more than doubled from £47,000 to £100,722 by Holyrood Rubber in 1976. Turnover was 50.18m. higher at £3,411m.

Stated earnings per £1 stock unit jumped to 44.22p (20.05p) and a net final dividend of 18.81p lifts the total to 24.33p (22.11p).

| | 1976 | 1975 |
|---------------------|---------|--------|
| Turnover | 40,769 | 23,730 |
| Surplus on trading | 119,501 | 50,341 |
| Investment income | 17,240 | 12,240 |
| Reserve expenditure | 36,229 | 22,282 |
| Pre-tax profit | 100,722 | 40,699 |
| Taxation | 41,322 | 24,829 |
| Net profit | 59,400 | 15,870 |
| Dividend | 41,477 | 19,470 |
| Dividend relief | 20,361 | 10,921 |
| Dividend in arrears | 1,263 | 1,263 |
| To go forward | 11,569 | 1,369 |
| Carried forward | 42,831 | 42,831 |

* In Malaysia and U.K. + Overhead.

Ocean Transport looks for improvement

EVEN WITH a stable pound and adding up other impediments, Ocean Transport and Trading expects to show a further useful improvement in taxable profit in the current year, says Sir Lindsay Alexander, the chairman, in his annual review.

Though there have been operational setbacks in the company's liner trades to Nigeria, the year has been satisfactory and the directors expect this recovery from recession to continue worldwide, he says.

As reported on April 5, on sales up from £311.51m. to £382.75m. taxable profit for 1976 advanced to £41.2m. (£23.5m.). The net dividend was 7.28p (4.69p).

At year end working capital was an increase of £15.75m. (£11.05m.) for which £1.1m. (£0.9m.) had been authorised but not contracted.

In rejecting the application of inflation accounting to the results because it would give a misleading impression, Sir Lindsay comments that any method would mean a diminution of the profit but not a reduction to almost nothing point as some people had suggested.

The company's financial position steadily strengthened throughout the year and it now has substantial liquid resources. Towards the end of the year two oil tanker vessels were bought for cash. Other shipbuilding plans have been delayed for a

variety of reasons, but currently negotiations are well ahead for a further substantial investment in new tonnage.

West African trades and the container business OCL improved materially on forecasts during the year and for all operations nearly everything went right. Added to this a steep decline in the value of the pound, reduced exchange rates which had an important influence on profit, he says.

Meeting, Liverpool, on May 16 at 3.30 p.m.

Statement, Page 33

1976 Results from HAWKER SIDDELEY

"The larger part of the Group, which trades in electrical and mechanical engineering, is unaffected by the nationalisation of the aerospace interests"

The 1976 Annual Report, which will be posted to shareholders on 27th May, 1977 will include the following comments in the Directors' Report:—

Accounting presentation
In view of the impending nationalisation of the U.K. aerospace subsidiaries, Hawker Siddeley Aviation Ltd. and Hawker Siddeley Dynamics Ltd., the contribution of these companies to consolidated net assets and consolidated profits is shown separately.

Hawker Siddeley Canada Ltd.
including its subsidiaries was previously shown separately in the consolidated accounts and to simplify the presentation this treatment has been changed and Hawker Siddeley Canada is now fully consolidated in the balance sheet and the profit and loss account.

The comparative figures for 1975 have been restated to reflect these changes in presentation.

Results
The total Group profit for 1976, after taxation and minority interests, amounts to £48.4m (1975: £30.2m), which, on the basis described above, comprises:—

| | 1976 | 1975 |
|---|---------------|---------------|
| | £m | £m |
| Group excluding UK aerospace subsidiaries | 34.7 | 21.5 |
| UK aerospace subsidiaries | 13.7 | 8.7 |
| | <u>£48.4m</u> | <u>£30.2m</u> |

Trading profits are analysed as follows:—

| | 1976 | 1975 |
|---|---------------|---------------|
| | £m | £m |
| Group excluding UK aerospace subsidiaries | 27.3 | 18.9 |
| Electrical engineering | 34.8 | 18.7 |
| Mechanical engineering | 13.3 | 15.1 |
| Hawker Siddeley Canada, mainly mechanical engineering | <u>£76.4m</u> | <u>£62.7m</u> |
| UK aerospace subsidiaries | <u>£24.3m</u> | <u>£21.1m</u> |

Financial Highlights

| | 1976 | 1975 |
|--|----------------|----------------|
| | £m | £m |
| Sales | | |
| Group excluding UK aerospace subsidiaries | 732 | 614 |
| UK aerospace subsidiaries | 242 | 215 |
| | <u>974</u> | <u>829</u> |
| Exports (included in sales) | | |
| Direct exports from the United Kingdom—43.7% of UK sales (1975: 43.1%) | 299 | 250 |
| Trading Profit | | |
| Group excluding UK aerospace subsidiaries | 75.4 | 52.7 |
| UK aerospace subsidiaries | 24.3 | 21.1 |
| | <u>99.7</u> | <u>73.8</u> |
| Profit after Taxation and minority interests | | |
| Group excluding UK aerospace subsidiaries | 34.7 | 21.5 |
| UK aerospace subsidiaries | 13.7 | 8.7 |
| | <u>48.4</u> | <u>30.2</u> |
| Earnings per Ordinary Share | 101.1p | 62.8p |
| Dividends per Ordinary Share | | |
| Interim | 6,7500p | 6,1382p |
| Recommended final | <u>7,8825p</u> | <u>7,1661p</u> |

Including the imputed tax credit, the equivalent total gross dividend paid or recommended for 1976 is 22.5115p (1975: 20.4650p) and represents an increase of 10% compared with 1975. This is the maximum permitted under the Counter-Inflation legislation.

Extraordinary item
The extraordinary item of £8.9m, shown separately in the profit and loss account and not forming part of the trading results for 1976, is an exchange profit arising on conversion into sterling of overseas net assets.

Financing
At 31st December, 1976 the net cash in hand of the Group excluding the UK aerospace subsidiaries amounted to £14.6m (1975: net bank borrowing £15.6m).

At 31st December, 1976 the net bank borrowing of the UK aerospace subsidiaries amounted to £17.3m (1975: net bank borrowing £25.7m).

Nationalisation of aerospace companies
The Aircraft and Shipbuilding Industries Act 1977 provides for the nationalisation of Hawker Siddeley Aviation Ltd. and Hawker Siddeley Dynamics Ltd. and the Government has decided that vesting should take place on 29th April, 1977. These companies will cease to be subsidiaries of the Group at that date.

The net book amount of the Group's interest in the companies at 31st December, 1976 amounted to £73.105m, comprising £20.055m for share capital and £53.050m for loans. The loans fall to be repaid to the Group after vesting.

Negotiations will start shortly with the Government for compensation for the value of the shares. Interest will be paid on the compensation from the date of vesting. The method prescribed by the Act for arriving at the amount of compensation is complex, and in the opinion of the Directors it is not in the interests of the Company that an estimate of the outcome should be given at present. It is, however, expected that it will exceed the book amount.

The larger part of the Group, which trades in electrical and mechanical engineering, is unaffected by the nationalisation of the aerospace interests. It is expected that the proceeds will provide the opportunity for further development in these businesses, and in related fields.

HAWKER SIDDELEY GROUP LIMITED

18 St. James's Square, London, SW1Y 4LJ. 01-930 6177
For a copy of the Annual Report please apply after 27th May to the Secretary.
Annual General Meeting—The Dorchester Hotel, Park Lane, London, W1A 2HJ, Wednesday 22nd June, 1977 at 12 noon.

BOWATER "... I remain optimistic about the prospects for the growth of Bowater"

Lord Erroll of Hale

- * Profits Up 48% worldwide with four-fold increase in the United Kingdom.
- * Dividend Up to 8.3p from 7.1p per share.
- * United Kingdom Considerably improved results in our Paper Company, record turnover and profits in Packaging, and an excellent year for the Furniture Group.
- * North America Earnings, similar to the high level of last year, represent some 70% of total profit of the Organisation.
- * International Trading A very successful year. Cotton trading profits well ahead of expectations.

- * Europe Implementation of our strategic plan continues. Over the last quarter of 1976 the European operations as a whole traded profitably.
- * Bowater-Scott The United Kingdom company enjoyed a successful year, with increased demand for its household tissue products; the Australian company had another good year.
- * Outlook A continuation of the recent improvement in earnings in the United Kingdom and increasing demand in North America. Our reorganisation in Europe and the Far East is proving successful and should benefit after-tax results of the current year. The trend indicated by the figures for the opening months of 1977 is encouraging.

| | 1976 | 1975 |
|--|-------------|-------------|
| | £ million | £ million |
| Sales | 1,548.0 | 1,107.3 |
| Profit before taxation | 78.3 | 52.9 |
| Profit after taxation and minorities | 27.5 | 17.7 |
| Added to (transferred from) ordinary shareholders' funds | 9.1 | (2.1) |
| Earnings per ordinary share | 21.7 | 15.3 |
| Dividend per ordinary share | 8.3 | 7.1 |
| Net assets per ordinary share | 235.1 | 201.9 |
| | 1976 | 1975 |
| Profit before taxation | £ million | % |
| United Kingdom | 21.2 | 25 |
| Overseas | 57.1 | 53.8 |
| | <u>78.3</u> | <u>78.8</u> |
| Unallocated interest and central costs | (6.6) | (5.7) |
| | <u>71.7</u> | <u>73.1</u> |

The Annual Report has already been passed to shareholders. Copies are available from The Secretary, Bowater House, Finsbury Bridge, London SW1X 7LR

SHARE DISCLOSURES

Support for Newey from Ash & Lacy

The Board of Newey Group, which faces opposition at the annual meeting on April 28 from a zinger group, expects to have the support of Ash and Lacy Holdings, a company which announced yesterday that it holds 8.75 per cent of Newey's capital.

John Mowlem and Co. Prudential Group holds 437,000 (5.04 per cent.) Ordinary shares. John Brown and Co. Prudential Assurance Company holds 2970,596 Ordinary stock (8.16 per cent.)

Berry Wiggins and Company Prudential Group holds 1,182,988 (3.46 per cent.) Ordinary shares and Co-operative Insurance Society holds 119,800 (10 per cent.) Second Cum. Pref. shares (13.34 per cent.)

National Westminster Bank holds a stake of 18,219,884 shares, representing 5.2 per cent. in Commercial Union Assurance, it was disclosed yesterday. At last night's CU price of 112p, up 1p, the interest is worth £18.2m.

City Offices Co.: Commercial Union Assurance Company holds 1,875,000 Ordinary shares (approx. 8.22 per cent.) Parker Knoll: Mrs. J. A. Kries holds 37,864 (7.3 per cent.) shares and Mrs. M. H. Arnold holds 34,634 (6.7 per cent.) shares.

Dr. Dan McDonald, the outspoken former chairman of BSR, now living in retirement in Geneva, emerged yesterday as the holder of significant stakes in three engineering companies. It was announced that he and his family interests hold 9.51 per cent of the Birmingham engineering concern, Wilmot-Breeden, and it is now known that he has a 10 per cent stake in Stockport brake specialists, Davies and Moxe, and 6.21 per cent in the Norwich electrical machinery manufacturer, Laurence Scott.

Charter Trust and Agency: The Prudential Group holds 2,268,419 (6.13 per cent.) ordinary shares and Standard Life Assurance Company holds 1,850,000 (5 per cent.) ordinary shares. Ashdown Investment Trust: The Prudential Group holds 850,264 (6.26 per cent.) ordinary shares.

United States Debuture Corporation: Prudential Group holds 2,238,106 Ordinary shares (5.22 per cent.) and Commercial Union Assurance Co. holds 273,000 stock Cumulative Preference (6.95 per cent.) London Scottish American Trust: Prudential Group holds 914,035 Ordinary shares (5.45 per cent.) and Standard Life Assurance Co. holds 978,288 Ordinary shares (8.54 per cent.)

NatWest has 5% of CU

Dr. McDonald's holdings in engineering

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Asset Val

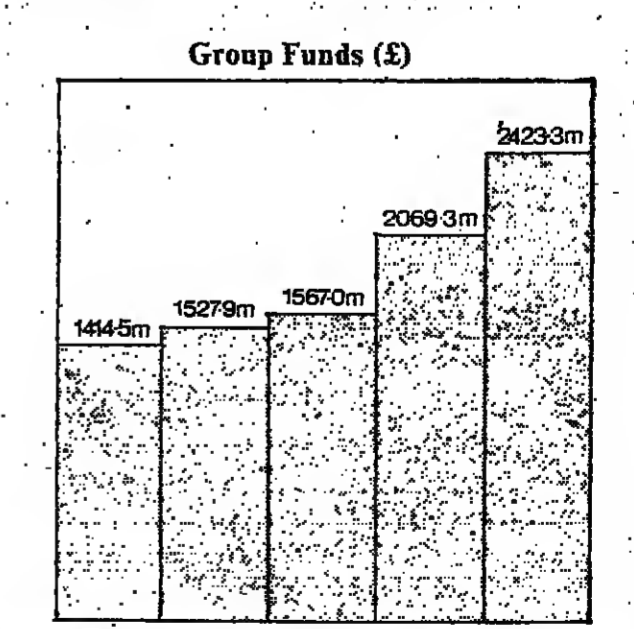
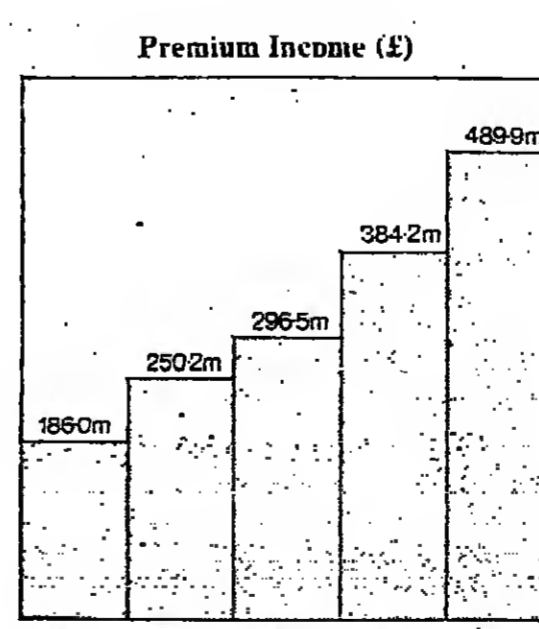
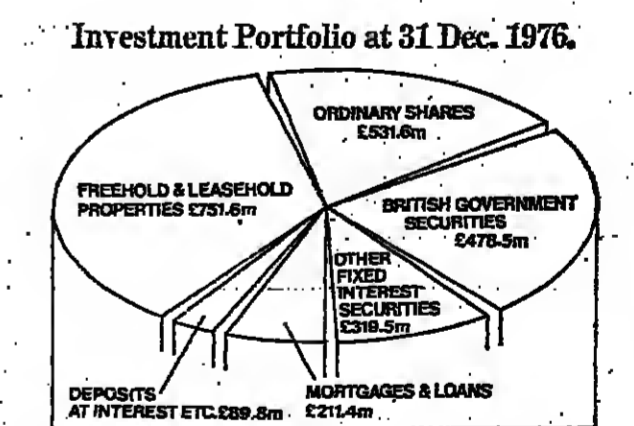
Legal & General achieves satisfactory results in a difficult year.

Successfully meeting today's insurance needs, investing funds efficiently and providing fresh capital for industry.

General Review Against the uncertain background of 1976 the group operating profit of £111m is a satisfactory result. It has been achieved despite considerable pressures on financial and human resources and in market conditions which have been a long way short of ideal.

A Balanced Investment Portfolio The Society looks for a balanced investment portfolio which will provide secure matching against its liabilities and the best possible return for with profit life and pensions policyholders and for shareholders.

Highlights from the Accounts table with columns for 1975 and 1976, rows for Group operating profit, Profits from long term business, etc.



Request form for Report & Accounts, including fields for Name, Address, and Business/Home Tel. No.

NEWS
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 THE RESULTS

Mr H.F Oppenheimer reports on De Beers in 1976

Total sales by the Central Selling Organisation in 1976 amounted to U.S. \$1 555 million, which is 46 per cent higher than in 1975. The demand for the smaller sizes and the cheaper qualities of large diamonds was very strong and towards the end of the year there was some improvement for better quality large sizes also.

The market has continued to strengthen in the new year and in March the Central Selling Organisation announced an overall price increase of 15 per cent. The higher prices have not reduced demand and in the absence of unforeseen circumstances sales are likely to be maintained at a very satisfactory level in 1977.

Sales of industrial diamonds, were higher than in 1975 and reached a record. During 1976 a synthesised grit known as CDA, for use in the grinding of tungsten carbide, and a synthesised product, to which we have given the name Syndite, were successfully introduced to the market.

De Beers net consolidated profit rose from R220 million to R308 million last year, an increase of 40 per cent. Dividends on the deferred shares were increased by 25 per cent from 28 cents to 35 cents per share. Stocks of diamonds, at cost, amounted at the year-end to R227 million, a reduction of R77 million or 25 per cent compared with the previous year.

After deducting foreign loans, all of which have been used for investment purposes, the net value of the Group's investments was R539 million. The net current assets of the Group rose during the year by 83 per cent from R187.6 million to R344 million. Allowing for minority interests, the net investments, loan levy and net current assets at the 31st

December attributable to De Beers amounted to R819 million, or 228 cents per deferred share compared with 193 cents the previous year.

Shareholders will have received my statement on the proposed merger of Anglo American Corporation and Rand Selection Corporation. If the merger and related transactions are carried into effect, De Beers interest in the enlarged Anglo American Corporation will be 30 per cent plus any shares it may acquire from the underwriting. The De Beers policy of diversification has been established and accepted ever since the Company participated on a large scale with Anglo American more than 25 years ago in the financing of the Orange Free State goldfield. De Beers requires for the security of its principal business to retain substantial reserves in cash and in other assets outside the diamond business. The underwriting of the Rand Selection issue is a continuation of an established policy and the amalgamation of Anglo American and Rand Selection will improve the quality and the long-term growth prospects of our principal investment outside the diamond business.

In Botswana the new Letlhakane mine, has been commissioned and full production at an estimated rate of 320 000 carats a year should be realised by the end of April. Construction work is in progress at Orapa to increase the capacity of the mine from 2.3 million to 4.5 million carats a year, and should be completed before the end of 1978.

Prospecting continued during the year at a kimberlite pipe discovered in Jwaneng in the south of the country. The pipe is overlain by a sand and calcrete overburden averaging

about fifty metres in depth and the discovery was a considerable technical achievement by Dr Murray and his geological staff. An accurate assessment of its potential will require a detailed underground sampling programme.

The Letseng-la-Tera mine is now in production and the full estimated capacity of the plant should be reached by the middle of the year. The profitability of this mine will depend on the production of a comparatively small quantity of large, high-quality diamonds. Obviously its establishment on this basis involves risks but we are confident that our investment of R33 million will prove justified.

Consideration has been made in re-activating the Koffiefontein project from which production at the rate of about 500 000 carats a year is due to begin next year.

The Premier mine is continuing to operate on a marginal basis. Potentially this property has a very long life, and once operations have been established below the gabbrro sill which cuts across the pipe, it is expected that the grade should improve. Negotiations have been going on with the Government which envisage the leasing of the property by De Beers so that capital expenditure might be offset against mining profits from other sources and also certain other changes to reduce the burden of taxation.

Our annual report this year illustrates the activities of the Central Selling Organisation's marketing department in London, which continues to do excellent work in the interests not only of De Beers but of the diamond industry as a whole. Diamonds have ceased to be merely a luxury for the very rich and are now worn and enjoyed more and more extensively.



Mining



Sorting



Marketing

De Beers Consolidated Mines Limited

(Incorporated in the Republic of South Africa)

For the full Report & Accounts for 1976 including the Chairman's Statement, please send the coupon to the address shown.

To: The London Secretaries, Report
 De Beers Consolidated Mines Ltd., 40 Holborn Viaduct, London EC1P 1AJ

Name _____

Company _____

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MINING NEWS

De Beers still rides a buoyant gem market

By ARNOLD MARSTON, MINING EDITOR

ALTHOUGH the political hurdles... De Beers has suffered a fall in uranium prices...

Higher taxes hit Amax

HIGHER taxes have weighed upon first quarter earnings of the U.S. Amax mining giant...

The higher pre-tax earnings in the first quarter reflect increased sales and profit margins for copper, lead and iron ore...

Labour unrest down under

THE BIG Port Pirie lead and zinc plant in South Australia's Broken Hill Associated Smelters...

Naaplaas gets uranium lift

STANDING in an otherwise cheerless set of March quarterly reports from the Anglo-American Corporation...

HARD TIMES ON THE BEACHES

The Western Australian beach mineral sands producer, Allied Minerals is holding talks on the possible sale of its assets...

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in the Republic of South Africa)

REPORT FOR THE QUARTER ENDED 31st MARCH 1977

UNAUDITED CONSOLIDATED RESULTS OF THE GROUP

Table with 2 columns: Quarter ended 31.3.77 and Quarter ended 31.12.76. Rows include Operating Results, Development, Revenue, Profit, etc.

Notes: 1. Consolidated results are given as information relating to the company only could be misleading...

On behalf of the Board: H. Walters, W. T. P. Mostert, Directors

Registered Office: 10, Holland Street, Johannesburg, 2001. 22nd April 1977

Surge at Root Harvesters

ALMOST DOUBLED profits, from £184,650 to £308,750, for 1976 are announced by agricultural machinery makers Root Harvesters...

BOARD MEETINGS

Table listing board meetings for various companies including Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

British Midland slumps

AFTER a buoyant summer season, a particularly bad fourth quarter in 1976 almost eliminated profit for British Midland Airways...

Bowater chief optimistic on further growth

and Bowater's written-off or provided for extraordinary losses in 1976 of £5m.

Overall, the chief of Bowater is optimistic about the prospects for continuing growth in the paper industry...

Scottish Mortgage progress

SCOTTISH INVESTMENT Income of Scottish Mortgage and Trust Company increased from £17.7m in 1976 to £18.7m in 1977...

Our position has steadily strengthened throughout the year... We have substantial liquid resources for deployment.

Sir Lindsay Alexander, Chairman of Ocean Transport & Trading Limited.

In spite of the stagnant economic conditions worldwide, we have had a satisfactory year's trading and great credit must be given to our employees on this account...

1976 RESULTS Pre-tax profits of £41m are 82.5% higher than in 1975.

Both our West African trade and Overseas Containers Limited improved materially on their prospects and across the whole spectrum of our operations nearly everything went right.

FINANCE Our position has steadily strengthened throughout the year and we now have available substantial liquid resources for deployment...

GENERAL OUTLOOK We are still predominantly a large-scale shipping company, so our broad future has to be seen against the backdrop of the prosperity of world trade in general...

PROSPECTS FOR 1977 The year has begun satisfactorily, though there have been operational setbacks in our liner trades from Nigeria...

WAREHOUSING AND TRANSPORTATION OF STRAITS STEAMSHIP (59%) had a successful trading year in Singapore.

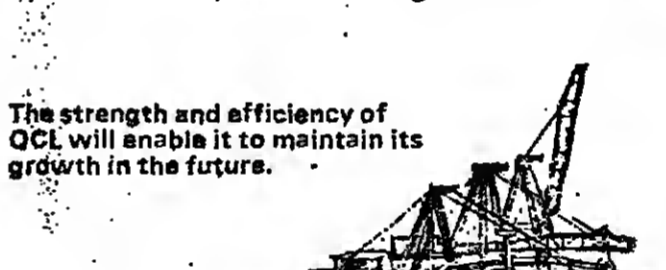
Blue Funnel Bulkships had a good year with bulk carriers, while Cory Ship Towing traded most efficiently.

BALANCE OF PAYMENTS The Group's contribution to the UK balance of payments in 1976 was £57m. It invested £11m in foreign currency, leaving a net contribution of £46m.

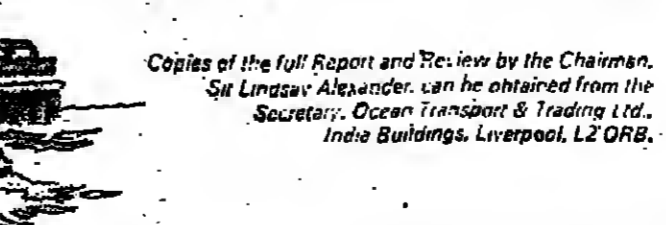
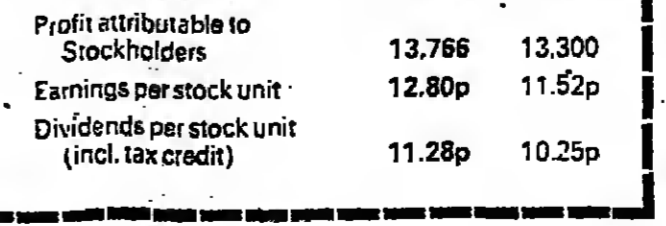
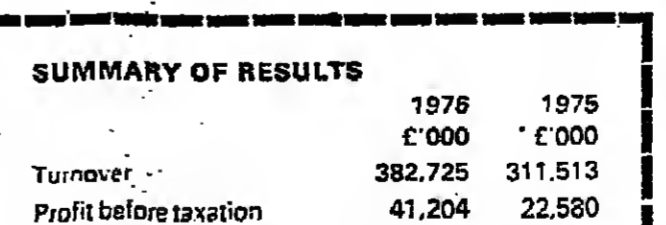
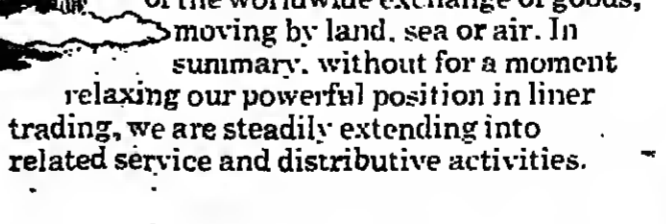
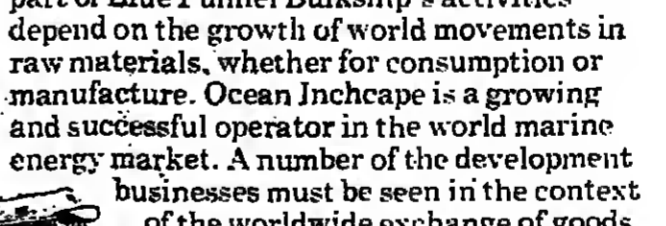
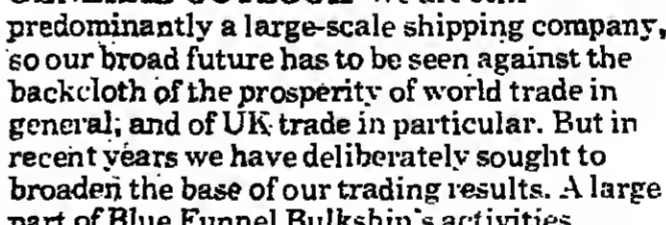
Ocean Inchcape had a good year in the North Sea and other offshore areas, the results reflecting the previous investment programme.



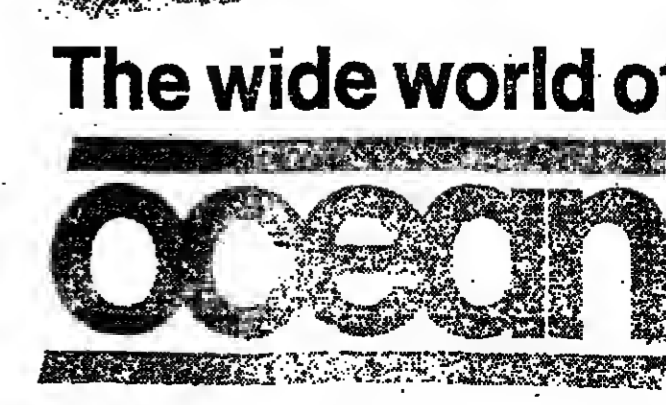
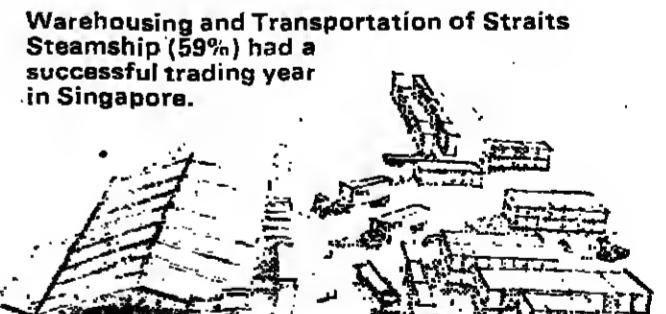
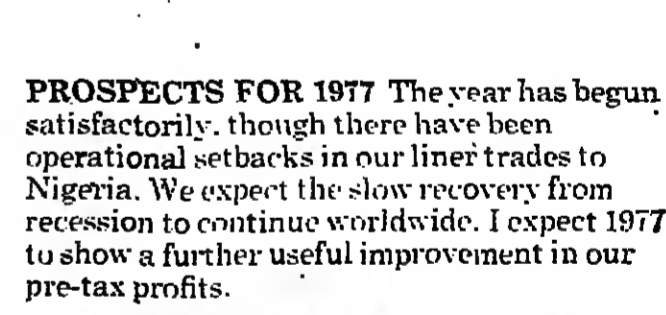
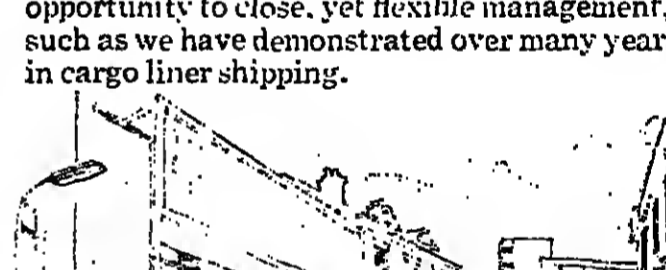
Ocean's liner business had a good year, with the Nigerian trades remaining buoyant and the UK/Jeddah service giving promising results.



The strength and efficiency of OCL will enable it to maintain its growth in the future.



This immensely broad field is likely to grow as world trade expands; bound to grow more sophisticated as traders increasingly recognise that distribution is a major element of the cost of their goods...



Copies of the full Report and Review by the Chairman, Sir Lindsay Alexander, can be obtained from the Secretary, Ocean Transport & Trading Ltd., India Buildings, Liverpool, L2 0RB.

Ocean Transport & Trading Limited

Britannia -one of the most secure societies

Salient points from the
1976 Annual Report of the
Britannia Building Society,
by the Chairman,
Sir Hubert Newton,
Hon. MA (Keele), FCIS, FBS



Assets The Society's assets rose by £92.8m from £688m to £781m, a growth rate of 13.5%. In April 1977 they now exceed £800m.

Home Loans The Society advanced a record sum of £155m, thus providing home finance for some 20,000 borrowers. This we were able to do with a slight reduction in our liquid funds which remained almost static at £196m.

Taxation The total amount of tax paid on investors' interest was £18.6m. In addition, Corporation Tax of £2,281,000 was charged against us resulting in a total Tax Bill of almost £21m.

Reserves The Society's reserves increased to £31.3m and now represent 4.0% of assets compared with 3.8% at the end of 1975.

The Britannia continues, therefore, to be one of the most secure societies in the Building Society Movement.

Britannia's Name In 1975 the Board decided to adopt the present name of Britannia Building Society.

This would avoid any further name changes and be a useful name within the E.E.C.

In October 1976 the announcement by Sir James Goldsmith of Slater Walker Securities Limited, that their Investment Management division were to take the name Britannia gave rise to some confusion amongst our investors.

Arrangements are in hand with Slater Walker Securities which will provide for their promotional activities to be carried on in such a way as to make it clear that there is no connection between that Group and the Britannia Building Society.

Conclusion This Nation is still a substantial borrower from the International Monetary Fund and elsewhere, and in my humble

opinion the efforts of Parliament and of all political parties should be directed to removing the burden of the debt, to contain rising prices and indeed to try to reduce them.



**Britannia
Building Society**

Chief Office: Newton House, Leek, Staffs. Branches and agents throughout the U.K.

L & G attracted by Gilts

BY ERIC SHORT

The annual report and accounts for 1976 of Legal and General Assurance Society — the second largest life company in the U.K. — shows that in common with almost all insurance companies it found the high yields on gilts very attractive. Out of the £209m available for investment last year in the life fund, no less than £187m was put into fixed interest investments and a further £17m into property and only a net amount of £5m into equities. Most of the £18m investment in the general fund went into fixed-interest securities.

Lord Harecourt in his last statement before retiring from the chair, points out that there were two prime factors that influenced this investment pattern for 1976. The first was the substantial existing holdings in equities and property, the company has for many years put considerable emphasis on property investment and has a higher proportion of property in its portfolio than the industry average. So the high yields available on gilts gave the company the opportunity to alter the balance of its portfolio.

The second reason is that the emphasis now has to be placed on current yields in relation to life company liabilities for statutory purposes which, with the wide difference between current yields on gilts and equities, makes it more attractive to hold gilts vis-à-vis equities.

However, the balance-sheet shows that at the end of 1976 L & G still had one-third of its life fund investments, which totalled £229m, in property and a further 23.6 per cent in equities. But still holdings doubled on the year in £44m — nearly 20 per cent of the portfolio. In the general fund portfolio, gilts and other fixed-interest investments comprise over 50 per cent of the overall portfolio value of £152m.

During the year premium income on long-term business jumped by 27 per cent to £38m and investment income by 23 per cent to £177m. Claims and expenses and other items, however, nearly doubled to £241m, so that

over the year the life fund increased by £300m to £216m. Premium income on short-term business was 30 per cent higher at £102m, and claims and expenses rose by 26 per cent to £82m. The annual valuation of the long-term fund by the actuary revealed a surplus of £52m, of which £41.1m was allocated to policyholders' bonuses and £8.7m to profit and loss account.

The bonus rates declared for 1976 were at a record level, but Lord Harecourt points out that the proportion of surplus had been reduced to 14.2 per cent from 15.2 per cent in 1975. This reflects the changing pattern of business done by the group. The proportion of non-profit business is declining compared with profit business and shareholders are entitled to all profits on non-profit business but only 50 per cent of profits and with profit business.

If this trend continues the proportion of surplus will not be much higher than 10 per cent. But Lord Harecourt still considers the return to shareholders to be at a very satisfactory level.

The company (the leading pensions concern in Europe), maintained its level of business in 1976 despite the many restrictions imposed by the Government's pay policy. Lord Harecourt regards this as a remarkable achievement and points out that there continues to be a strong underlying demand for good occupational pension schemes. But progress on negotiations to adapt schemes to the provisions of the Social Security Pensions Act 1975 had been disappointingly slow and he thought that the Government, in the light of the miners' agreement over early retirement, must remove pension restrictions in the next stage of the pay policy.

He emphasised that L & G was not, in general, recommending small schemes to contract out of the new system but otherwise the preferable course was for the member to set up his own company scheme to provide pensions for employees.

BIDS AND DEALS

Brooke Bond expands

Brooke Bond Liebig through subsidiaries has acquired control of two overseas companies for a total consideration of around £900,000.

Brooke Bond Liebig France has bought a 62 per cent stake in Confiturerie et Conserveurie Europeennes (France) from V. R. Greco of New York, plus a further 7.5 per cent interest from elsewhere. The exact price has not been fixed but is unlikely to be in excess of Frs 4.9m (£5-9,000).

CCE, which trades under the name of Materne, has a substantial stake in the French jam market. Liebig's Extract of Meat, has bought a 31.25 per cent stake in Distribuidora de los Productos Alimenticios de Las Palmas de Gran Canaria for just under £350,000. DIPA is described as the largest importer and distributor of meat products in the Canary Islands.

MATTHEWS SELLS FRENCH INTEREST

Matthews Holdings is to reduce its holding from 78 per cent to 43 per cent in French company Boucheries Bernard, one of its strongest profit contributors last year.

French institutions have paid £16m to Matthews and a further £1m, on an instalment basis, is to be paid by trustees acting for Boucheries Bernard employees. Matthews has also announced its willingness to reduce its stake further to 35 per cent, but says that it would thereafter be determined to retain its substantial stake in a strong and expanding company.

Matthews made no secret of the fact that the sale was made reluctantly on the part of the Board, but the effect will be in reducing the holdings associated with the holding by some £53m, which will in turn halve the ratio of debt-shareholders' funds. The effect on earnings, because of the share in interest, is likely to amount to only 0.2p per share on an historical basis.

NO PROBES

The following mergers are not to be referred to the Monopolies Commission: International Stores and F. J. Walsh; Prudential Assurance and Standard Trust; Coventry Climax and the fleetlift truck operations of Rubery; Oceanic and U.S. Petroleum Corporation and London Scottish American Trust.

SCOTT, HERITABLE

Scottish Heritable Trust has entered into agreements which give it the option to acquire the capital of Kayam Carpets and its holding company, Kayam Holdings.

BOC PURCHASE

BOC has acquired a minority shareholding in Hall Automalms of Walford, a company specialising in the development and manufacture of wire handling automation systems and industrial robots.

BTR/SILENTBLOC

BTR has sent out the details of its offer to acquire the 73.6 per cent of Andre Silentbloc that it does not already own. The bid, which has already been rejected by the Silentbloc Board, is 30p cash per share or one BTR share for every 4 Silentbloc shares — worth, at last night's closing price for BTR of 102p, 48p per share. Silentbloc ended yesterday up higher at 331p.

RIT URGES ACCEPTANCE

The directors of Rothschild Investment Trust have again written to shareholders of Bridgewater Estates, urging them to accept the 200p per share cash offer.

The letter refers to the estimated asset value of Bridgewater as put forward by that company. Board and points out that while it does not disagree with the £5.4m placed on land and buildings on an open market basis, the valuation contains an allowance for any liability for tax which would arise if the assets were realised.

Rothschild estimates that the capital gains tax and corporation tax liability amounts to 80p per share. It further claims that it is unlikely that Bridgewater shareholders would receive more than 200p per share through a liquidation and that, if the RIT offer fails, it is probable that the price realisation for their shares will be significantly less than 200p.

CHARTERHOUSE JAPHET


Charterhouse Japhet, the merchant banking subsidiary of Charterhouse Group, has agreed to amalgamate its insurance interests with those of Magna Assurance.

Magna will become the principal operating company, with Charterhouse Japhet Life Assurance and Charterhouse Japhet Reassurance as its subsidiaries. Claims that it is owned 61 per cent by Charterhouse Japhet and the balance by existing Magna shareholders. As a result of this amalgamation of interests, Magna will have capital of £500,000.

DISCLOSURES

London and Lombard Investment Trust: Legal and General Assurance Society holds 1,050,364 (8.9 per cent.) Ordinary shares, £5,417,41 per cent. Preference stock £7,171,000 and £22,335,51 per cent. Preference stock (£8 per cent.).

Horizon Midlands: Thomas Organisations holds £20,227 Ordinary shares (5.005 per cent.). V. J. Lovell (Holdings): Nyrwest Hold has a beneficial interest in 325,000 Ordinary shares.



Reed & Smith

Significant turnaround in trading
Dividend more than doubled

**REED & SMITH HOLDINGS LIMITED
AND SUBSIDIARY COMPANIES**

Financial results for year ended 31st December 1976

| | 1976 | 1975 |
|---|---------|---------|
| | £000's | £000's |
| Group Turnover | 31,406 | 24,591 |
| Trading Profit/(Loss) before taxation | 358 | (220) |
| Profit/(Loss) after taxation credit and extraordinary items | 268 | (145) |
| Dividends per Ordinary Share (gross equivalent) | 3.2134p | 1.5384p |

Chairman's comments

1. Trading profit before taxation of £357,787 compares with the forecast of "approaching £300,000" made in the circular to shareholders dated 29th October 1976 and with the loss of £219,861 for 1975.
2. Reduced charge for deferred taxation this year, as balance available considered adequate for foreseeable future.
3. Final dividend of 1.08875p net means that 1976 payout is more than double that of the previous year and, moreover, well covered.
4. Installation of new machine at Wansbrough proceeding satisfactorily. Machine start scheduled for August with full efficiency planned for early 1978.
5. Over £2m being invested in capital projects by the Group in 1977.
6. It is hoped that, if all goes according to plan at Wansbrough, 1977 will again show an improvement over the previous year, leading to a material upturn in 1978.

Copies of the report and accounts will be available on April 29th from The Secretary, Reed & Smith Holdings Limited, Silvertown Mills, Hele, Exeter, Devon EX5 4PX.


DERWENT PUBLICATIONS LTD



1977

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THE QUEEN'S AWARD FOR
EXPORT ACHIEVEMENT 1977

Leaders in computer-based scientific and
patents information services world-wide



Antony Gibbs Holdings Limited

Highlights from the
Statement by the Chairman,
Sir Philip de Zulueta

The Company's increased profit in 1976 came largely from its activities in Australia and insurance broking.

The United Kingdom

In banking, managed by Antony Gibbs & Sons, the level of acceptances was almost maintained, non-sterling business grew, and the corporate finance department has been enlarged.

Since the year end the Company has finalised the acquisition of a 25 per cent share in a Zurich bank. The other shareholders are Creditanstalt Bankverein of Vienna and Bayerische Vereinsbank of Munich.

The current year should be better for banking profits, but we must expect these to come at least as much from overseas as from the United Kingdom.

In 1976, a particularly profitable year for insurance broking, the well-established firm of Lionel Sage and Company was acquired for cash and doubled the size of our existing insurance broking subsidiary to form Antony Gibbs, Sage.

Antony Gibbs Financial Services now includes the personal financial planning division and the pension advisory division. We expect more business in 1977 particularly for pensions advice.

Overseas

Australia is our main area of activity. 1976 was the most profitable year so far for Gibbs Bright which is active in the manufacture and sale of wood-based building materials as well as in the management of an insurance group. Australian conditions indicate that this year may be less buoyant.


In the Middle East we have a shareholding in a joint banking venture with The Hongkong Bank Group. Antony Gibbs, Sage, the pension advisory division and a merchanting subsidiary are separately represented. An increasing amount of business is being generated from the area.

22 Bishopsgate

The new building to be completed later this year will be one of the best modern buildings in the City. We have made arrangements for finance which eliminate any strain on our liquidity.

Future Outlook

The Company has begun the current year well and with confidence in the future.



Copies of the Report & Accounts may be obtained from The Secretary, 23 Blomfield Street, London EC2M 7NL. Telephone: 01-538 4111

Swire Pacific Ltd

1976 Profits HK\$125.5 million

Earnings per share increased by 25%

Final dividends of 21.0 cents per 'A' share and 4.2 cents per 'B' share recommended, representing with the Interims an increase of 20% over 1975

Scrip issue recommended of one for five, with expectation of maintained dividend rate

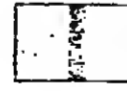
Prospects for 1977 good, and further growth anticipated

Preparations well advanced for flotation of Swire Properties which will provide opportunity for Swire Pacific to improve spread of Group's interests

J.H. Bremridge
Chairman

| FINANCIAL HIGHLIGHTS | 1976 HK\$000 | 1975 HK\$000 | 1974 HK\$000 | 1973 HK\$000 |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| Turnover | 1,658,216 | 1,115,699 | 800,765 | 233,236 |
| Attributable Profit | 125,546 | 73,235 | 51,100 | 37,907 |
| Dividends | 79,573 | 61,597 | 39,424 | 36,080 |
| Shareholders' Funds | 1,322,101 | 1,118,890 | 887,529 | 259,014 |
| Earnings per 'A' share | 47.33c | 38.01c | 28.95c | 22.32c |
| Dividend per 'A' share | 30.00c | 25.00c | 22.50c | 21.25c |

* FIVE - HK\$500 approx.



Swire Pacific Ltd.
The Swire Group
Swire House, Hong Kong.

1. 10/10 10/50



as in the management of... indicate that this year...

In the Middle East, we have... holding in a joint banking...

with The Hongkong Bank... SAGE, the principal...

and a merchant... is separately represented...

increasing amount of... generated from the area.

Bishopsgate... The new building to be...

future Outlook... The Company has begun...

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MONEY MARKET

MLR cut possible

Interest rates from the authorities yesterday... Day-to-day credit was in short supply... The Bank of England was extremely lax... The market was also... in the absence of any... other bank there...

| Category | Rate | Category | Rate |
|-----------|-------|-----------|-------|
| 3-month | 8.5% | 6-month | 9.0% |
| 9-month | 9.0% | 12-month | 9.5% |
| 18-month | 10.0% | 24-month | 10.5% |
| 36-month | 11.0% | 48-month | 11.5% |
| 60-month | 12.0% | 84-month | 12.5% |
| 108-month | 13.0% | 144-month | 13.5% |

Excess Insurance Group Limited

Summary of operating results 1976

| | 1976 | 1975 |
|----------------------|------------|------------|
| Group Premium Income | £4,610,000 | £3,921,000 |
| General Loss | 2,044 | 2,523 |
| Underwriting Results | (4,482) | (13,060) |
| Investment Income | 3,467 | 7,622 |
| Sundry Items | 285 | 41 |
| Taxation | 5,300 | 4,603 |
| Operating Profit | 4,894 | 5,239 |

Extracts from the Statement by the Chairman and Chief Executive, Mr. W. L. Samengo-Turner.

Results for 1976
The profit for the year 1976 before taxation and extraordinary items showed a substantial improvement to £5,300,000 against £4,603,000 for the previous year. The worldwide premium income on general business showed a 39% increase of £15,239,000 to £54,610,000. As a large proportion of our premium income is written in currencies other than sterling, particularly US dollars, the impact of the devaluation of the £ has contributed to the increase in premiums. The true premium income growth has been most satisfactory.

Future Prospects
The past year has seen some falling off in the rate of inflation, but this has been more than offset by the devaluation of the pound which has led to a marked increase in premium income expressed in sterling terms. Whilst our present capital base, coupled with current profit levels and a low tax charge, enables us to continue to look forward to a steady growth of premium, it is essential that the pricing of business in the market as a whole should envisage a rate of profit sufficient to provide a platform for this future growth.

Copies of the Full Report & Accounts may be obtained from the Secretary, Excess Insurance Group Limited, 13 Fenchurch Avenue, London EC3M 5BT

The Pahang Consolidated Company Limited

(Registered in England No. 89412)

The Directors of The Pahang Consolidated Company Limited announce the following—

(A) UNAUDITED PROFIT STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31st JANUARY, 1977

| | 6 months to 31.1.77 | 6 months to 31.1.76 | Audited Year to 31.12.76 |
|--|---------------------|---------------------|--------------------------|
| Output—Lode Tin Concentrates (metric tons) | 1,041 | 965 | 2,002 |
| Sales—Lode Tin Concentrates (metric tons) | 1,041 | 1,037 | 2,140 |
| Average Selling Price of Tin Concentrates (per metric ton) | 10,039 | 8,545 | 9,130 |
| Profit before Taxation | 2,766 | 652 | 2,217 |
| Less: Malaysian Taxation | 1,245 | 294 | 1,350 |
| Profit after Taxation | MS1,521 | MS358 | MS867 |
| Extraordinary Items | | | MS1,565 |
| Profit/(Loss) after Tax and Extraordinary Items | MS1,521 | MS358 | MS1,565 |

Exchange Rates applied Malaysian \$ to £ 4.24, 5.262, 4.208

(a) Mining Profit for the half year to 31.1.77 was MS1,519,000 (£358,000). This compares with a loss of MS244,000 for the corresponding period of last year.

(b) Profitability for the second half year is expected to maintain, and possibly show a substantial improvement provided the current high tin prices prevail.

(B) INTERIM DIVIDEND ON ORDINARY CAPITAL

The Board has declared an interim dividend on the ordinary capital of five per cent, less Malaysian and U.K. Tax in respect of the financial year ending 31st July, 1977.

This dividend is payable on 23rd June, 1977 to shareholders registered by 3.00 p.m. on 17th May, 1977. The Share Register will be closed from 18th May, 1977 to 22nd May, 1977 inclusive for the preparation of dividend warrants.

BY ORDER OF THE BOARD, EDWARD CHAN, ASSISTANT SECRETARY (MALAYSIA)

£1.37m. record for GHP

FOR 1976, metallurgical, mechanical and electrical engineers, GHP Group almost doubled its taxable profit from 1975 to a record £1.37m., no turnover slightly down to £18.6m., against £17.0m.

The directors state that the position of the company justifies expectation of a further increase in profits for 1977. In the longer term, they are confident that major capital expenditure programmes are being embarked upon in 1977 and are likely to be profitable exploitation of world markets.

Turnover in 1976 reflected production without dependence on subcontracting and the impact of a pattern of growth, which was interrupted in 1975, was re-established. Profits in the second half exceeded expectations, they said.

Although the level of demand at home remains depressed in many areas, direct and indirect interest in the company's export markets is buoyant, they report.

Marshall (Loxley) nears £1m.

ON turnover increased from £11.85m. to £13.4m. in 1976, Marshall (Loxley) and Company (Laxley) achieved record taxable profits for 1976 of £800,434 against £607,211.

The directors say that a further increase in profit should be seen in 1977 but that inflation continues at a near 20 per cent. level and sterling is held steady, the company's international competitiveness will be reduced.

During the current year, over 50 per cent. of profits will be exported they add and plans for development are very largely based on further penetration of export markets.

Earnings per 25p share are stated at 7.74p (6.53p) and the dividend is stepped up to 2.27p (2.02p) with a net final of 1.22p.

Good start for Crane Fruehauf

The current year has begun well for Crane Fruehauf and the level of orders for all parts of the company is healthier than it has been for over two years.

Because of the stated intention of the Fruehauf Corporation to make a further bid, should the Monopolies and Mergers Commission permit, he is only able to repeat the earlier forecast of a substantial advance in profit for 1977, he says.

As reported on March 4, pre-1976 profit for the 32 weeks to January 1, 1977, was £131m. against £111,000 for the previous 52 weeks. On a current cost accounting basis the profit would have been reduced to £78.6m.

Sales were up at £47.6m. (£33.6m.) with exports better at £10.25m. (£7.7m.), and the net dividend is stepped up to 2.13p (1.58p). At year end net liquid funds showed an increase of £2.11m. (decrease £0.82m.) with short term loans and overdrafts down £1.7m. (up £0.8m.).

A structural analysis of turnover shown in 1976: U.K. 35,906 (£4,855), Rest of Europe 6,011 (£1,911), Middle East 3,401 (£804), Asia and Australasia 1,501 (£361), Africa (225), Sterling, Connaught Rooms, W.C., on May 12, at noon.

Tanners to issue summons against NEB

The National Enterprise Board is now facing legal action over its plans to take a major stake in British Tanners. The proposal to put up £2m. for a 50 per cent. interest in the tanning operations of the Barrow-Hepburn Group is under fire from other companies in the industry.

Leather tanning companies, who together claim to represent 90 per cent. of the industry outside Barrow-Hepburn, confirmed that today they will be issuing a summons asking for a ruling that the proposals are contrary to the NEB's statutory guidelines.

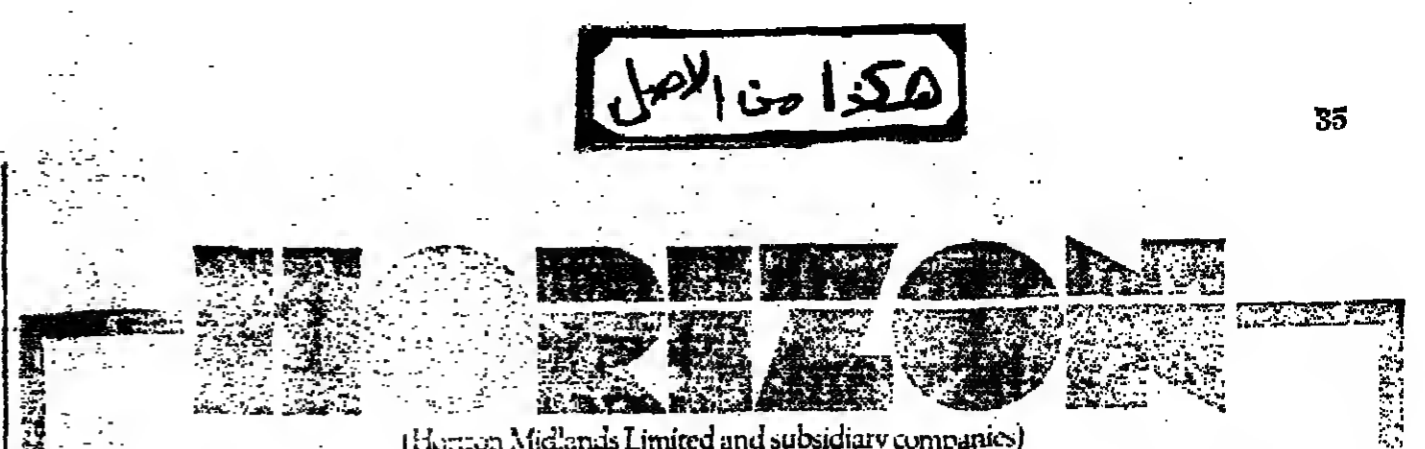
Following written protests from the companies, the NEB has since denied the proposals breach its guidelines and has said it is not prepared to drop the plan.

The tanners said last night they hoped the NEB's solicitors would cooperate so the matter can be settled speedily. But a spokesman for the companies stressed that in the event of the ruling going against them, they would be considering an appeal. "It is our intention to see this as far as it will go," the spokesman commented.

BLANTYRE TEA PAYING 25p

For the year ended September 30, 1976, Blantyre Tea Holdings is raising its dividend to 25p, not maintaining it at 15.27p as reported yesterday.

Because Blantyre trades almost exclusively abroad it is not subject to current U.K. dividend controls.



Fifth year as Britain's most profitable tour operator

| | 1975/76 | 1974/75 |
|------------------------------|-------------|-------------|
| Turnover | £16,948,615 | £14,329,827 |
| Pre-tax profit | £1,374,028 | £1,051,944 |
| Profit after taxation | £643,622 | £496,585 |
| Dividends | £124,994 | £113,651 |
| Profit retained | £468,628 | £382,934 |
| Cumulative profits retained | £1,228,199 | £759,571 |
| Earnings per Ordinary Share | 14.62p | 11.28p |
| Dividends per Ordinary Share | 2.84078p | 2.58253p |

- Pre-tax profit of £1,374,028 represents an increase of over 30% compared with last year, and constitutes another record.
- For the fifth successive year we claim to be the most profitable tour operator in the country.
- 1976 summer bookings showed a drop of approximately 3% on 1975 and winter 1976-77 was satisfactory.
- Bookings for summer 1977 indicate the company is outperforming most major competitors in a difficult market. Overall bookings are 10% down on last year, but over the last few weeks have picked up and are now running at levels unequalled for the time of year. The trend is continuing.

At this point it would be unrealistic to expect to match last year's record, but substantial profits are expected in the current financial year. We should see an improvement in the basic trend of foreign holiday bookings if the £ stabilises or improves its position, and if spending power increases again as the result of lower taxation and a more buoyant economy. The company continues year by year to strengthen its financial and administrative base, and its position in the market.

Copies of the 1976 Report and Accounts can be obtained from: The Secretary, Horizon Midlands Limited, 214 Broad Street, Birmingham B15 1BB.

upon completion of this coupon. Name: Address:

BUSINESSES FOR SALE

Old Established PAINT MANUFACTURERS
producing own interior and exterior quality emulsions, textured paints, wood preservatives and water repellants, fungicidal and anti-condensation range, primers, sealers, etc. U.K. and export market, excellent goodwill. Sales £750,000 p.a. Principals only write Box E.9732, Financial Times, 10, Cannon Street, EC4P 4BY.

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With 200 yard water frontage and beautiful 2-acre setting on Millford Haven
AN OUTSTANDING OPPORTUNITY IN THE LEISURE FIELD
NEAR KILGETTY, PEMBROKESHIRE
Yacht station, 12-b-dorm fully licensed hotel, 80-pitch caravan site, cottage and all-weather T.O. 125.000.
For sale by public auction (unless sold previously) as a whole or in lots on 10th June 1977 on the premises.
WEST MIDLANDS—ONE OF THE BEST KNOWN AND LONGEST ESTABLISHED COUNTRY HOTELS IN ENGLAND
16000 sq. ft. of business, function capacity 200, superb 10-acre grounds, Fire Certificate, T.O. £250,000, £190,000 freehold complete.
ROBERT BARRY & CO.
National Specialist Hotel Agents, Cotswold House, Gloucester, Glos. Tel: 0538-2512

BUSINESSES WANTED

FAN MANUFACTURERS
Old-established private company in related products wishes to purchase industrial fan business anywhere in U.K., management expected to remain. Turnover up to £1m. Cash deal. Please contact in strict confidence. The Chairman, Write Box T.4607, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED PLASTIC INJECTION MOULDING COMPANY

Consumer products company currently subcontracting its requirements for injection moulding intends to develop its own capability and seeks to purchase existing small company as the focal point for its in-house expansion of its plastic products. Write Box T.4610, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY REQUIRED

We are interested in the purchase of a small/medium size company involved in Packaging, Export Packing, Contract Packaging or Associated Industries. Please write (marked private & confidential), with brief details to Box T.4606, Financial Times, 10, Cannon Street, EC4P 4BY.

PRINTING COMPANY REQUIRED

Printing Company Required with factory in London area of 15,000 to 20,000 sq. ft. FOR MERGER OR ACQUISITION. Turnover and profit material. Strictly confidential assured. Please write to Managing Director, Box E.8848, Financial Times, 10, Cannon Street, EC4P 4BY, or telephone Haddenham 48199 any evening after 8 p.m.

WANTED PLANT HIRE COMPANY

North London or Northern Home Counties. A U.K. Private Company wishes to purchase small/medium plant hire company with established sales and profit record. Write Box E.9733, Financial Times, 10, Cannon Street, EC4P 4BY.

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Capital Investment in Germany!
30 Completed Properties For Sale
(Dwelling houses and office buildings in central position in cities in North-Rhine/Westphalia, as well as in Mainz and Munich, rent revenues DM2.1m p.a. with administration company and exclusive villa with adjacent office building. Negotiation basis approx. DM250k.
PANK KG, Immo., 4610 Dortmund, Kleppingerstr. 10, Tel.: 0231/528396 (Mon.-Fri. 9 a.m.-5 p.m.-5 p.m.)

FOR SALE

Old established IRON FOUNDRY situated in the East Midlands. Current turnover: £100,000 p.a. Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

Substantial long established building materials business. Goodwill for disposal on retirement. 800 sq. ft. site with 1000 sq. ft. office. 220,000 plus plant and stock. New lease can be offered on agreed terms. Write London 24 Morgan, London EC2N 2JB

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Dutch institutions plan U.S. property investments

BY MICHAEL VAN OS
AMSTERDAM, April 21.
DUTCH institutional investors B.V., a Dutch operation, which intend to step up considerably their activities in the U.S. commercial property market...

S. Korea opens up insurance market

BY ERIC SHORT
THE SOUTH Korean Government is to allow foreign insurance companies to operate in its domestic insurance market, probably from next month...

Why Sharon withdrew

BY ART GARCIA IN SAN FRANCISCO

WITH WALL STREET giving little recognition to many companies with solid assets and good management it has become a season for mergers and acquisitions...



Mr. W. Morison

WOOLWICH EQUITABLE BUILDING SOCIETY
NOTICE TO INVESTORS
The following reduced rates of interest will apply from 1st May 1977:

Confectioners warn on raw material costs

BY JAMES FORTH
SYDNEY, April 21.
CONFECTIONERY groups, from Nestlé and Rowntree Hoadley both reported higher earnings but warned that prices of their products would be affected by sharp increases in coffee and cocoa prices...

Hapag-Lloyd air charter plan

BY ADRIAN DICKS
BONN, April 21.
THE WEST GERMAN private air charter industry will be strengthened considerably as a result of the takeover of Bavaria Germanair by the Hamburg-based shipping and travel group Hapag-Lloyd...

MORTGAGE INTEREST RATES
From 1st May 1977 interest on new and existing mortgages will be reduced by 1.00%. (For repayment mortgages subsidised under the Option Mortgage Scheme the net interest charged will be reduced by 0.80%.)

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS.
Table with columns for Bond Name, Bid, Offer, and Price.

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION
World Value of the Dollar
The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, April 20...

The Republic of the Philippines
9 per cent. Notes due 1983
Kuwait International Investment Co. s.a.k. Merrill Lynch International & Co.
Arab Malaysian Development Bank Bhd.
Bancom International Limited
Libyan Arab Foreign Bank
Manufacturers Hanover Limited
The Industrial Bank of Kuwait K.S.C.
Al Ahli Bank of Kuwait (K.S.C.) Arab International Bank
Arab Investments for Asia (Kuwait) K.S.C. Arab Trust Company K.S.C.
American Express Middle East Development Co. S.A.L.
Kuwait Financial Centre S.A.K. Kuwait Real Estate Bank K.S.C.
Morgan Grenfell (Asia) Ltd. Smith Barney, Harris Upman & Co. Incorporated
Union de Banques Arabes et Européennes S.A. (U.B.A.E.)

Table of exchange rates and bond prices. Includes columns for Country, Currency, Value of DLR, and various bond names with bid/offer prices.

Handwritten Arabic text: كاتنا من الالط

Down 6.79 despite favourable news Yen firmer

BY OUR WALL STREET CORRESPONDENT

FURTHER EARLY gains attracted investors to-day and the market turned somewhat lower.

The market also shrugged off a statement by Budget Director Bert Lance, that the Federal Budget deficit for fiscal 1977 would drop to around \$46bn, considerably lower than President Carter's revised Budget provisions that called for a deficit of \$68bn.

Finally, a Senate vote to keep the 12 per cent. investment tax credit and the New Jobs Tax Credit in the Major Tax Bill, which President Carter sought to decrease 2.31m. shares to 22.74m.

The market received some initial support from a Government report that March Consumer Prices rose only 0.6 per cent. in the month, from 3.1 per cent. in the session just before the session last week.

THURSDAY'S ACTIVE STOCKS

Table with columns for Stock Name, Change, and Price. Includes stocks like American Express, IBM, and General Motors.

Agreement report of a 0.9 per cent. decline in Retail Sales in the latest reporting week despite a 6.6 per cent. jump in car sales.

But the uncertain implications of the proposals on inflation and Economic growth in the Gas Tax proposed by President Carter was

particular—also apparently kept investors worried.

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The Metals and Minerals Index put on 0.7 to 1,155.1. Utilities 0.11 to 148.73 and Banks 0.03 to 320.87.

United Tires and Rubber "A" rose 5 cents to 31.25 after reporting 1976 profit compared to a loss.

VIENNA—Quietly irregular.

TOKYO—Prices rose sharply to a new year's high for the second consecutive day on active selling by buying, concentrated on Resources and "large asset" shares and "speculative" Volume 400m. (same) shares.

Institutions' investors actively bought Paper-Rails, Non-Life Insurance and Real Estate, while interest also revived in Textiles and some other Industries in poor business condition on the belief that the recent price rise will help reduce their interest burden.

JOHANNESBURG—Gold shares eased on lack of overseas interest and in line with European bullion indications.

AMSTERDAM—Shares advanced virtually across the Board, with most stock indices rising to new highs for the year.

Other Markets

PARIS—Mixed with some late improvement after early end of account selling.

BRUSSELS—Most prices rose strongly in heavier trading following President Carter's Energy Plans which market sources thought would mean less competition from the U.S. in Europe for energy resources.

SPAIN—Further consolidation of recent recovery, with Asland rising 5 to 127 and Union Explosivos Rio into up 4 to 130.

U.S. and U.K. shares rose, Dutch issues weaker, Canadian stocks mixed, while French stocks were steady to higher.

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GOLD MARKET

Gold Bullion... London... New York... Prices in dollars per ounce.

Foreign Exchanges

Table showing exchange rates for various currencies like New York, Montreal, London, etc.

Special Drawing Rights Rates

Table showing SDR rates for various currencies.

Exchange Cross-Rates

Table showing cross-rates for major currencies.

Euro-Currency Interest Rates

Table showing interest rates for various Euro-currency deposits.

Forward Rates

Table showing forward rates for various currencies.

Germany

Table showing German stock market data.

Tokyo

Table showing Japanese stock market data.

Australia

Table showing Australian stock market data.

Oslo

Table showing Norwegian stock market data.

Johannesburg

Table showing South African stock market data.

Brussels/Luxembourg

Table showing European stock market data.

Paris

Table showing French stock market data.

Amsterdam

Table showing Dutch stock market data.

Copenhagen

Table showing Danish stock market data.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index performance for 1977.

Standard and Poors

Table showing Standard and Poors index performance for 1977.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various international stocks with columns for Stock Name, Price, and Change.

Stock

Table listing various international stocks with columns for Stock Name, Price, and Change.

Investment premium based on \$2.60 per £1-1181/8 (117/8)

Table listing various international stocks with columns for Stock Name, Price, and Change.

CANADA

Table listing various Canadian stocks with columns for Stock Name, Price, and Change.

AMSTERDAM

Table listing various Dutch stocks with columns for Stock Name, Price, and Change.

BRUSSELS/LUXEMBOURG

Table listing various European stocks with columns for Stock Name, Price, and Change.

PARIS

Table listing various French stocks with columns for Stock Name, Price, and Change.

COMMODITY MAI

Advertisement for 'amused moditie' and 'ST. Comm' with various notices.

Price 1.50

Brazil soy oil ban may be lifted

SAO PAULO, April 21. SPORTS of Brazilian soy oil...

EEC opposes export quotas in sugar pact

GENEVA, April 21. THE EEC today rejected an export quota system as the basis for a new International Sugar Agreement...

Too rigid

He added that it was extremely difficult to work out an equitable quota system in practice such a system collapsed in difficult market conditions.

Fall in copper continues

By Peter Bullen. COPPER PRICES staged a late rally on the London Metal Exchange yesterday after experiencing further falls early on...

10 cent range

Mr. Julius L. Kutz, Assistant Secretary of State for economic and business affairs, said the U.S. has not proposed any specific floor and ceiling prices.

Weather vital over next six weeks

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT. MY FORECAST of a month or so ago of a cold, harsh spring has turned out to be one that might have been predicted...

Farmers disappointed with Mr. Silkin

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT. THE NATIONAL Farmers' Union council meeting yesterday expressed great disappointment with Mr. John Silkin...

New home for London soy meal futures

By Our Commodities Staff. LONDON soybean meal is going to new premises because the existing trading floor was too small...

Brazil coffee plan 'on target'

By SUE BRANFORD. SAO PAULO, April 21. BRAZIL'S 1976/77 coffee plan, which had as its main target the replacement of those wiped out by the 1975 crisis, is being successfully carried out...

Milk production last month up by 149m. litres

By Our Commodities Staff. OUTPUT OF milk from farms in England and Wales jumped by 149m. litres last month to 1,017m. litres...

Big rice crop in Sri Lanka

COLOMBO, April 21. SRI LANKA'S rice crop this year was almost 1.4m. tonnes, the biggest since 1970, mainly due to better irrigation facilities...

Rubber price rise forecast

Mr. Campbell Fraser, Dunlop's managing director, said the company is forecasting a 15 per cent increase in the price of rubber this year...

Coffee

Early Commission London and local coffee prices were well absorbed by a continued trade buying during the week...

Wool futures

LONDON - Unchanged to a slight decline following a steady recovery in the wool market...

Crop fear lifts soybeans

NEW YORK, April 21. OLD CROP soybeans closed 19 cents higher on continued fear of crop shortage...

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns for various commodities including Base Metals, Coffee, Rubber, Soybean Meal, Meat/Vegetables, Cotton, and Indices. Includes sub-sections like 'BASE METALS', 'COFFEE', 'RUBBER', 'SOYBEAN MEAL', 'MEAT/VEGETABLES', 'COTTON', and 'INDICES'.

Bemused by the commodities maze?

Compared with the thousands of listed shares, a commodity trader has a mere dozen or so markets to keep an eye on...

CCSI Commodities Ltd. Walsingham House, 35 Seething Lane, London EC3N 4AH.

PUBLIC NOTICES

LOCAL AUTHORITY BILLS. CORPORATION OF LONDON PROVISIONAL NOTES. DEBTY THROUGH COUNCIL BILLS. CITY OF EDINBURGH BILLS.

COCAOA

Values increased over a broad range in the cocoa market...

GRAINS

THE BALTIC - Small tonnages of EEC wheat traded for the first time in the Baltic...

MEAT/VEGETABLES

SMYTHFIELD - Average fatstock prices for the week ended April 21...

COTTON

COTTON, Liverpool - Spot and shipment prices for the week ended April 21...

FINANCIAL TIMES

Table with columns for Dow Jones, Moody's, and other financial indices.

Senate raises U.S. wheat target price

WASHINGTON, April 21. THE SENATE Agriculture Committee has approved a wheat target price of \$2.10 a bushel...

STOCK EXCHANGE REPORT

Fairly widespread equity gains on technical factors

Share index up 6.2 more at 418.7—Gilts rise in brisk trade

Account Dealing Dates Opinion

First Declared Last Account Dealings Dates Opinion Apr 22 Apr 21 Apr 22 May 3...

Technical considerations led to another fairly good day in equity stock markets yesterday...

slightly better than Wednesday's 4.32 and still well below the recent daily average.

Distillery concerns made fresh headway. Distillers moved up 3 to 130p, while gains of 4 were seen in Laverfordon...

Sellcourt 1 harder at 141p. Lee Cooper put on 3 to 88p as did John Mendes...

Wednesday's late rise of 6 on vague talk about another bid from the parent Generale Occidentale...

3 easier at 79p on consideration of the chairman's statement. North Sea oil orientated issues were prominent in the Newspaper sector.

The market's equity leaders made little real progress after a good early start...

General business in investment currency was uninspiring but a demand from one source contributed to a firmer trend...

Wimpey 50p. Further consideration of the record profits advanced in Engineering...

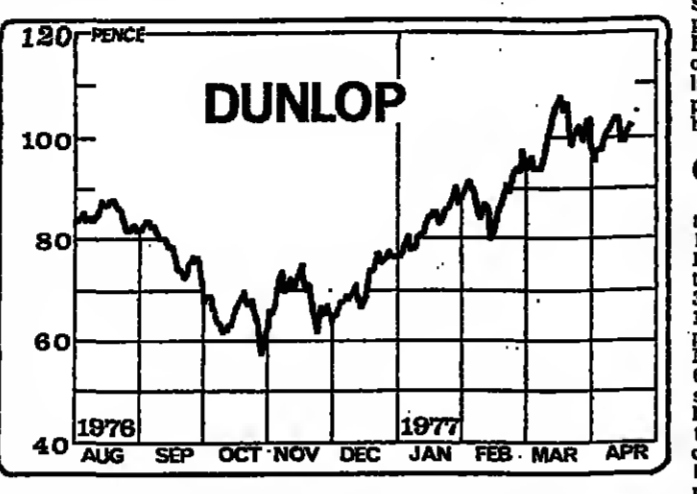
Hawker once again led the advance in Engineering. Hawker rose 5 to 548p on the effect of its excellent results...

Dunlop were the centre-piece in Motors and Distributors, edging forward in active trading...

English and Caledonian Investment were again prominent in otherwise quiet firm investment...

FINANCIAL TIMES STOCK INDEX Table with columns for Date, Value, % Change, etc.

HIGHS AND LOWS S.E. ACTIV Table with columns for High, Low, Date, etc.



Gallenkamp rise Beecham closed a shade below the best at 434p, after 436p. Elsewhere among miscellaneous industrial shares...

Press comment highlighting the company's asset value directed fresh attention to Common Bros. which jumped 3p to 282p on small aggressive buying...

FRIENDS' PROVIDENT "POSITION OF GREAT STRENGTH" Life Premium Income £67.7m New Sums Assured £679.0m Funds at the end of the year £506.1m

RECENT ISSUES Table listing various companies and their stock prices, including British Airways, British Telecom, etc.

"RIGHTS" OFFERS Table listing rights offers for various companies like British Airways, British Telecom, etc.

ACTIVE STOCKS Table with columns for Stock, Denomina, Closing, Charge, 1977, 1977, etc.

OPTIONS TRADED Table with columns for Calls, Puts, Dealt, Last, Declared, etc.

FT—ACTUARIES SHARE INDICES

Large table showing FT—ACTUARIES SHARE INDICES for various EQUITY GROUPS and FIXED INTEREST, including sub-sections like CAPITAL GOODS, CONSUMER GOODS, etc.

AUTHORITATIVE PRICE... advertisement with large stylized text and background graphics.

July 1975

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts including Brown Shipley & Co. Ltd., Henderson Administration, Pricedaily Unit Tr. Mgrs. Ltd., and others.

Table of Offshore and Overseas Funds including Arnhem Securities (C.I.) Limited, Australian Selection Fund NV, Bungee Bruxelles Lambert, and others.

Table of Offshore and Overseas Funds including Kemp-Gre Management Jersey Ltd., Kingsley & Hodge Jersey Ltd., and others.

Table of Base Lending Rates for various banks including A.B.N. Bank, American Express Bank, and others.

Table of Food Price Movements for various commodities like Bacon, Butter, Eggs, and Meat.

Table of Insurance, Property, and Bonds including various insurance companies and bond listings.

Table of Food Price Movements (continued) for items like Cheese, Eggs, Meat, and Poultry.

Table of Insurance, Property, and Bonds (continued) including various insurance companies and bond listings.

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W. BERRY TEMPLETON LTD Property Consultants to Commerce and Industry

47 Great Russell Street London WC1B 3PA 01-637 4577

FT SHARE INFORMATION SERVICE

INDUSTRIALS - Continued

BRITISH FUNDS

Table listing various British funds with columns for name, price, and other financial details.

Five to Fifteen Years

Table listing funds categorized by maturity (Five to Fifteen Years).

Over Fifteen Years

Table listing funds categorized by maturity (Over Fifteen Years).

Updated

Small table listing updated fund information.

INTERNATIONAL BANK

Table listing international bank shares.

CORPORATION LOANS

Table listing various corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS (Miscel.)

Table listing miscellaneous loans.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail shares.

CANADIANS

Table listing Canadian stocks.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies.

BUILDING INDUSTRY - Continued

Table listing building industry stocks.

DRAPERY AND STORES - Continued

Table listing drapery and stores stocks.

ENGINEERING - Continued

Table listing engineering stocks.

ELECTRICAL AND RADIO

Table listing electrical and radio stocks.

CHEMICALS, PLASTICS

Table listing chemicals and plastics stocks.

ENGINEERING, MACHINE TOOLS

Table listing engineering and machine tools stocks.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit stocks.

CINEMAS, THEATRES AND TV

Table listing cinema, theatre, and TV stocks.

BUILDING INDUSTRY, TIMBER AND RAILS

Table listing building industry, timber, and rail stocks.

DRAPERY AND STORES

Table listing drapery and stores stocks.

FOOD GROCERIES, ETC.

Table listing food, grocery, and other stocks.

HOTELS AND CATERERS

Table listing hotel and catering stocks.

Main table on the right side of the page containing various stock listings and financial data.

Conversion factor 0.8944 (0.8953)

Handwritten note: 10/10 1/250

Handwritten Arabic text: 1500

INDUSTRIALS - Continued. Table listing various industrial companies with columns for Stock, Price, and other financial metrics.

MOTORS, AIRCRAFT TRADES. Table listing companies in the motor and aircraft sectors, including sub-sections for Commercial Vehicle, Components, and Garages and Distributors.

PROPERTY - Continued. Table listing real estate and property-related companies and their financial data.

TRUSTS - Continued. Table listing various trusts and investment funds with their respective stock prices and details.

TRUSTS - Continued. Further continuation of the trusts table, listing more companies and their financial information.

NOMURA The Nomura Securities Co., Ltd. Advertisement for the company's London office, including contact information.

MINES - Continued. Table listing mining companies and their stock prices.

AUSTRALIAN. Table listing Australian companies and their financial data.

OVERSEAS TRADERS. Table listing overseas trading companies and their stock prices.

RUBBERS AND SISALS. Table listing companies in the rubber and sisal sectors.

TEAS. Table listing tea companies and their financial information.

INDIA AND BANGLADESH. Table listing companies from India and Bangladesh.

SRI LANKA. Table listing companies from Sri Lanka.

AFRICA. Table listing companies from various African countries.

MINES. Table listing mining companies, including sub-sections for Central Rand and Eastern Rand.

FAR WEST RAND. Table listing companies from the Far West Rand region.

O.F.S. Table listing Overseas Financial Services and other related companies.

FINANCE. Table listing various financial institutions and their stock prices.

SHIPPING. Table listing shipping companies and their financial data.

SHOES AND LEATHER. Table listing companies in the shoe and leather industry.

SOUTH AFRICANS. Table listing companies from South Africa.

TEXTILES. Table listing companies in the textile industry.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING. Table listing companies in the paper, printing, and advertising sectors.

PROPERTY. Table listing property-related companies and their financial data.

TOBACCO. Table listing tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND. Table listing trusts, financial institutions, and land-related companies.

TRUSTS, FINANCE, LAND. Further continuation of the trusts and finance table.

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FINANCE. Table listing various financial institutions and their stock prices.

NOTES. Text providing information about the publication, including details about the data sources and the company's services.

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REGIONAL MARKETS

Table listing regional market data, including stock prices for various international markets.

OPTIONS 3-month Call rates

Table listing options and 3-month call rates for various companies and markets.

Advertisement for a collection of London stocks, including a list of company names and their respective stock prices.



Romania plans Western atom power plants

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT BUCHAREST, April 21.

ROMANIA is about to complete a major deal for Western nuclear technology...

Sovereignty

He said that by 1990 Romania planned to have no less than 18 nuclear power stations...

Since the obvious supplier of nuclear technology would be the Soviet Union...

Importing from the West, however, poses its own problems...

But he expected his deal to go through smoothly because the country has signed the nuclear non-proliferation treaty...

Windscale expansion go-ahead by Cumbria

By Our Industrial Staff

PLANS by British Nuclear Fuels to expand and improve its Windscale, Cumbria, plant at a cost of £385m...

However, the planning approvals did not cover the controversial nuclear fuel reprocessing plant...

Approval was given yesterday for the £245m refurbishing of the magnox facilities...

The £30m Harvest scheme by which the company hopes to demonstrate a method of solidifying the highly radioactive waste...

Reception and storage facilities in the form of deep concrete ponds for spent oxide fuel...

Mr. Peter Shore, Secretary for the Environment, has already given his tacit approval for these projects...

Now that permission for the oxide fuel storage facilities has been given, the company can continue to import oxide fuel...

A company undertaking that falls through it would return the oxide fuel to the overseas customers...

The Japanese electricity industry, with which the company has been negotiating a contract worth about £300m...

This newly-formed company will hold securities as nominee only on behalf of Heads of State and their immediate families...

By providing the oxide fuel storage facilities, the company will be able to give the Japanese breathing space to find alternative sources of disposal...

Further cut in lending rate possible to-day

By MARGARET REID

THE OFFICIAL tender in the weekly rate appears to have been short-term money...

The Bank of England, which in recent months has acted to slow down the decline in rates...

The Bank, however, retains the power to override the normal formula to prevent a fall in MLR...

Moss Evans elected to succeed Jones

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE NEXT general secretary of the 1.9m-member Transport and General Workers' Union will be Mr. Moss Evans...

He takes over from Mr. Jack Jones, who retires at the age of 65 at the end of next March.

Mr. Evans won 46.4 per cent of the votes in a national ballot of the members from a contest of 39 per cent.

The runner-up was Mr. John Cousins, a former national official of the union and son of Mr. Frank Cousins...

Mr. Cousins, junior, who works for the National Economic Development Office, campaigned vigorously through the Press...

The publicity was clearly a big factor in his favour, but it did not stop Mr. Evans from coming top in all but one Scotland of the union's 11 regions.

Mr. Cousins' vote pushed the leading Left-wing candidate, Mr. Alec Kitson, executive officer, down to third place...

Fourth was Mr. Larry Smith, national secretary for the busmen.

Mr. Jones took over in August 1969 with 83 per cent of a 38 per cent poll.

He said yesterday that the branch ballot was "quite substantial" even compared with postal ballots...

Mr. Jones said that during his retirement he would continue to help pensioners to get justice...

Mr. Evans, the union's national organiser, will now be brought into the inner councils of the leadership in preparation for his takeover...

But Mr. Jones will stay in charge as the union decides this summer the future of the social contract for which he has been so largely responsible.

The voting figures were: Mr. Evans, 348,548; Mr. Cousins, 119,241; Mr. Kitson, 75,395; Mr. Smith, 47,759.

Another national official, Mr. John Miller, polled 24,701 votes to come sixth...

Profile and picture, Page 12

Free bargaining

There was "no chance" that he would accept a peerage. He would urge the union's conference in July to call again for the abolition of the House of Lords...

Mr. Evans said that he would dedicate himself to carrying out the policies decided by the union's lay committees and biennial conferences.

Both he and Mr. Jones repeatedly stressed that it was the abolition of the House of Lords, which made policy, whatever the newspaper headlines might say.

Mr. Evans added: "In my election address, I made no secret of the fact that I believed in free collective bargaining."

He praised Mr. Jones for the "enormous amount of work" he had done in extending rank-and-file democracy in the union...

Mr. Evans, the union's national organiser, will now be brought into the inner councils of the leadership...

But Mr. Jones will stay in charge as the union decides this summer the future of the social contract...

The voting figures were: Mr. Evans, 348,548; Mr. Cousins, 119,241; Mr. Kitson, 75,395; Mr. Smith, 47,759.

Another national official, Mr. John Miller, polled 24,701 votes to come sixth...

Profile and picture, Page 12

Public spending changes urged

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MAJOR CHANGES to the present system of Parliamentary estimates have been proposed by the all-party Select Committee on Public Accounts...

Mr. Edward du Cann, the chairman, said yesterday Parliament has progressively abdicated its duty to control and command expenditure...

The Committee recommended that the Treasury should look at ways of developing cash limits in the direction of full cash budgetary control...

The difference between the two is that cash limits put a ceiling in money terms on spending after taking account of a figure for inflation for the whole financial year...

as a means of reinforcing control over expenditure and was conceived it was "here to stay"...

Mr. Evans said that he would dedicate himself to carrying out the policies decided by the union's lay committees...

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The difference between the two is that cash limits put a ceiling in money terms on spending after taking account of a figure for inflation for the whole financial year...

known price and wage rises before the start of the year.

As a result "very large" supplementary estimates had become inevitable...

The Treasury told the Committee it recognised these points, but stressed the need to gain further experience with the limits before any extension could be soundly based.

The Committee suggested that the Treasury should be looking at the implications for cash limits of changes in the structure of wage restraint...

The report recommended that the Treasury should consider whether the larger cash limit blocks in the budget could be more precisely and effectively controlled.

The Committee also noted the Treasury's view that the operation of cash limits had tightened financial control over the spending departments.

Beaverbrook and Associated hold talks on redundancies

BY MAX WILKINSON

ASSOCIATED Newspapers and Beaverbrook Newspapers are now having intensive talks about the major redundancy payments which would result from a merger...

The merger now under discussion would, in effect, be a takeover of the Evening Standard by Associated Newspapers...

Associated would gain the profitable advertising and the high class readership of the Evening Standard...

After a Board meeting of Beaverbrook Newspapers yesterday, there were renewed rumours among the staff that a take-over had been agreed in principle...

neither management would confirm this.

The main difficulty between the companies is the very large cost of the several thousand redundancies which would be involved...

Redundancy payments could be expected to run into several millions of pounds and were described by one executive as astronomical...

Beaverbrook's argument is that the Evening Standard is a viable newspaper with a high editorial quality...

1975 and July 1976. is now trading at a profit.

The Evening News, on the other hand, has been losing circulation badly in spite of its revamp as a tabloid...

Beaverbrook also believes that the Evening News' strong fight to retain advertising and readers has reduced the profitability of both papers...

Talks between representatives of the two groups were continuing last night with the help of Lord Goodman...

Coal Board chief says incentive plan vital

By Christian Tyler

THE NATIONAL Coal Board has urged Ministers including Sir Denis Healey to make room for a high-paying, self-financing incentive scheme for miners in the next phase of wage policy.

The vital importance of getting such a scheme into operation quickly was spelled out yesterday by Sir Derek Birch, NCB chairman...

"Of course, anything we agree (with the National Union of Mineworkers) will have to be subject to the next round of pay policy. But it is vital if we can get this part of our business right, I foresee no problems."

Sir Derek was commenting on the news that NUM negotiators have approved an outline pit-based incentive scheme which the miners want introduced in August 1.

From the Coal Board's point of view it is vital in another sense. Successful negotiation of such a scheme could head off demands for huge pay rises for miners next winter.

The NUM conference in July is expected to reject further wage restraint. It will have resolutions seeking double the present faceworkers' rate.

No figures have been attached to the NUM incentive plan yet. But the NCB has made more than two years ago the rate for hitting pit targets could today be about £20 a week...

The effect of this is that while a shareholding by the Queen or any other eligible holder could remain under the nominee name if it was of less than 5 per cent...

The real owners, whose shares are to be held through Bank of England Nominees will not be able to use their holdings to influence the affairs of the company in question...

The exemption and related arrangements were described by Mr. Stanley Clinton Davis, Parliamentary Under Secretary at the Trade Department...

Mr. Clinton Davis said that a share owner through Bank of England Nominees had to give an assurance that he was aware of his overriding obligation to disclose his interest...

Mr. Foot has not taken part in the negotiations for Phase Three and his presence could mean Ministers are mounting an appeal to trade union leaders to reach a pay agreement for the sake of loyalty to the Labour Government.

Dunlop switches to expansion

THE FIGURES are difficult to evaluate precisely, but its 1976 performance clearly takes Dunlop out of its period of convalescence...

Admittedly, a rise from £15m to £19.5m in attributable profits over the year takes in some of the stock profits...

Nearly a third of the earnings gain is the result of translating overseas profits at the year-end rate for sterling...

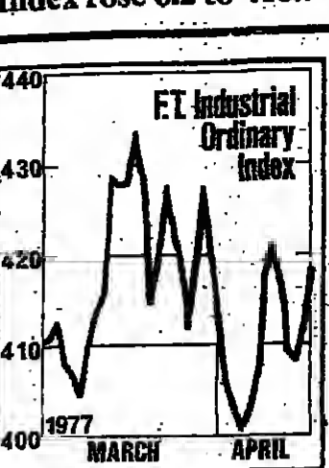
But Mr. Jones will stay in charge as the union decides this summer the future of the social contract for which he has been so largely responsible.

The voting figures were: Mr. Evans, 348,548; Mr. Cousins, 119,241; Mr. Kitson, 75,395; Mr. Smith, 47,759.

Another national official, Mr. John Miller, polled 24,701 votes to come sixth...

Profile and picture, Page 12

Index rose 6.2 to 418.7



This firm demand from the tyre replacement market together with a higher output from the motor manufacturers...

In the meantime the dividend for 1977 is rising by a full 53 per cent and the shares moved up 4p to 61p yesterday.

The U.S. business has also produced significantly better results, and the one big disappointment is continental Europe...

As a proportion of shareholders funds, total debt has risen a little over the year to 66 per cent of 34 per cent...

Tangible evidence of Dunlop's recovering confidence is the £72m of capital speeding scheduled for the current year...

This is not expected to have an adverse effect on the gearing ratio. The yield of 7 per cent is covered by inflation adjusted earnings...

The Committee also noted the Treasury's view that the operation of cash limits had tightened financial control over the spending departments.

Hepworth Ceramic is asking shareholders for £11m at a time when the latest balance sheet (also published yesterday) contains a figure of £102m for net cash...

BP accounted for almost a full point of the rise in the 30 share index yesterday, and the shares were moving ahead further late last night supported by heavy trading during the first hour of business on Wall Street.

Although it is by no means certain that Congress will give carte blanche approval, the major oil companies have welcomed President Carter's energy proposals...

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Weather and Business Centres table with columns for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS.

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